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Austria ... Sch. 18	Indonesia .. Rp 2500	Portugal ... Esc 60
Bahrain .. Din 0.650	Italy ...... L 1300	S. Arabia .. Rls 6.00
Belgium .. BFr 38	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.00	Jordan ... Fils 500	Spain .... Pta 110
Cyprus ... C£0.80	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark .. Dkr 7.25	Lebanon .. £L 6.00	Sweden .. Skr 6.50
Egypt .... E£1.00	Luxembourg . LFr 38	Switzerland SFr 2.20
Finland .. Fmk 6.00	Malaysia .. Rm 4.25	Taiwan ... NT $85
France .. FFr 6.00	Mexico .. Pes 300	Tunisia .. Din 0.600
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 210
Greece ..... Dr 70	Netherlands . Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway . Nkr 6.00	U.S.A. $1.50
India .... Rup 15	Philippines . Pes. 20	

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,596 Thursday April 11 1985 D 8523 B

China wins pledge on nuclear ships from U.S., Page 3

World news | Business summary

French right in electoral pledge

France's main opposition parties pledged to repeal the shift to proportional representation which President Mitterrand intends to introduce to prevent the right from winning a majority of seats in next year's parliamentary elections.

The promise to repeal the change in the voting system was part of a joint declaration signed by the opposition parties intended to block moves to attract their members into a coalition government with the Socialists.

The declaration, signed by Jacques Chirac for the neo-Gaullist RPR party, and Jean Lecanuet, leader of the centre right UDF, sets out the opposition's objectives. Page 24

Iraq expels envoy

Iraq has ordered the West German Chargé d'Affaires in Baghdad to leave the country within seven days. He is accused of "flagrant interference in Iraq's internal affairs." Page 2

Lebanon withdrawal

The withdrawal of Israel's occupation force from southern Lebanon is being accelerated dramatically with the start of a second-phase pull-out from an area of about 200 sq km north of the Litani river. Page 3

Israeli denial

The Israeli Government issued its first formal denial of Red Cross charges that it violated the Geneva conventions by moving prisoners from Lebanon to Israel.

New Sudan council

Sudan's new military leader, General Abdul Rahman Swareddahab, has appointed a 15-man military council to rule the country. Page 3

Guard 'disciplined'

The Soviet guard who killed U.S. Army Major Arthur Nicholson in East Germany last month is facing disciplinary measures and possible court martial. He is likely to be charged with violating guard duty regulations by using excessive force. Page 2

Pakistani Cabinet

Pakistan's new Prime Minister Mohammad Khan Junejo named the country's first all-civilian Cabinet in eight years. Five ministers from the Cabinet of martial-law President Mohammad Zia ul-Haq stay in office.

Boycott by Premier

Lebanese Premier Rashid Karami said he would boycott Cabinet meetings until measures to stop fighting in the southern port of Sidon were implemented. Page 3

Danish strikes

Labour unrest in Denmark flared again as thousands of workers defied union leaders and stopped work in a day of protest against a two-year pay deal imposed by the Government. Page 2

Shell kills children

Five Greek children died and several were injured when a stray shell fired during an artillery exercise fell on a gipsy camp near Thebes.

Squatters to move

Thousands of squatters in South Africa's Crossroads shanty town, where police shot dead 18 people in February, agreed to move to a new township in exchange for temporary legal status.

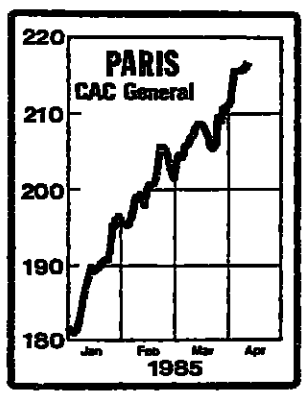
Bangladesh pledge

Bangladesh President Hossain Mohammad Ershad said he would relax martial law and lift a ban on political activity after local elections next month.

Goldsmith launches bid for Crown

SIR JAMES GOLDSMITH, the Anglo-French financier, launched his threatened offer for Crown Zellerbach, the California-based forest products group. The cash offer of $42.50 a share puts a total value on Crown of $1.15bn. Page 24

WALL STREET: The Dow Jones industrial average closed 6.08 up at 1,259.94. Section III



PARIS shares continued their record-setting run with the CAC 50-share General index adding 0.7 to 216.7, its eighth successive peak. The index has gained almost 19 per cent this year. Section III

STERLING rose a cent against the dollar in London to $1.216. It also rose to DM 3.8025 (DM 3.7975), FFr 11.58 (FFr 11.5725), SwFr 3.22 (SwFr 3.2075) and Y309 (Y307.25). The pound's exchange rate index rose to 77.3. Page 47

DOLLAR fell in London to DM 3.1345 (DM 3.1510), FFr 9.56 (FFr 9.6175), SwFr 2.6485 (SwFr 2.6615) and Y254.30 (Y254.95). On bank of England figures the dollar's index fell to 147.4 from 148.7. Page 47

GOLD rose $5.25 to $328.25 on the London bullion market. It also rose in Zurich to $327.00 from $322.05. In New York the April Comex settlement was $326.2. Page 46

TOKYO blue chips lost ground in an easier session. The Nikkei-Dow market average shed 28.50 to 12,601.93. Section III

LONDON shares were mixed in busy trading and gilts were firmer. The FT Ordinary share index rose 4.4 to 960.3. Section III

INDONESIA is set to launch a $400m, 10-year note issue facility in the Euromarkets, the first such sizeable deal for a major sovereign borrower in the Far East. Page 28

FRENCH Government intervened to stop Poclain, the excavator manufacturer, selling its hydraulic components division to a U.S. buyer.

CHASE MANHATTAN, the New York Bank, plans to buy two troubled savings institutes in Ohio in to win approval for commercial banking operations in the state. Page 25

ASHOK LEYLAND of Madras, India's second largest commercial vehicle manufacturer, is considering an engine collaboration with Hino of Japan and is talking to Britain's BL about producing Land Rovers. Page 27

GAZ DE FRANCE had immediate success yesterday when it launched a FFr 750m Eurobond, the first issue in French currency since 1981. Page 48

CARREFOUR and Galeries Lafayette, French retailers, have reported higher 1984 earnings – Carrefour was up 20 per cent to FFr 428m ($44.5m) and Galeries Lafayette doubled earnings to FFr 51m compared with 1983. Page 26

SCOPD MANUFRANCE, French co-operative venture, is to be liquidated with the loss of 396 jobs. Page 26

NORWAY'S Fred Olsen shipping group increased pre-tax profits last year to NKr 178m ($19.6m) from NKr 76m. Page 26

BRITISH PETROLEUM is to close its refinery at Llandarcy, Swansea, in the UK, with a loss of about 750 jobs. Page 10

U.S. presses for early start to new trade talks

BY PAUL BETTS AND DAVID MARSH IN PARIS

THE U.S. is pressing ministers of industrialised countries meeting in Paris this week to begin preparations for a round of multilateral trade talks in the next three months.

Mr William Brock, the outgoing U.S. Trade Secretary who has just been appointed U.S. Labour Secretary, said yesterday that Washington wanted to see the preparation for the trade talks start soon, to enable negotiations to begin in earnest next January or February.

But Mr Brock made no concessions on European – and especially French – demands that any new multilateral trade talks be linked with international monetary and financial negotiations.

"We are prepared to talk about monetary and financial issues in the appropriate forum and Gatt (the General Agreement on Tariffs and Trade) is not the appropriate forum. That is our position now and in the foreseeable future," Mr Brock told a gathering of French industrialists.

His remarks come as the Organisation for Economic Co-operation and Development (OECD) today begins its two-day annual spring ministerial meeting, which will seek a more concerted approach to tackling major economic problems including protection, international debt and unemployment.

The U.S. is likely to face considerable scepticism from European countries at the meeting over calls for a new trade round at a time when protectionist pressure is growing in the U.S. – partly as a consequence of the strong dollar.

France, in particular, believes that such calls are out of place considering recent American action to place quotas on steel imports and the failure in Washington to implement cuts in tariffs which were agreed as part of anti-protectionist measures two years ago.

The French Finance Ministry, however, believes that the U.S. is becoming more aware of problems caused by the strength of the dollar as a result of the huge build-up of the U.S. trade deficit.

Officials believe that is one reason why Mr James Baker, the U.S. Treasury Secretary, has recently shown interest in French ideas about introducing in international monetary reforms to help to improve exchange-rate stability.

Mr Baker met M Pierre Bérégovoy, the French Finance Minister, last night for a preliminary exchange on prospects for the dollar and economic growth.

Acknowledging that there was enormous domestic pressure in the U.S. for protection, Mr Brock said it would be a "big mistake" to bow to that pressure.

But he said he did not think that intervention in foreign exchange markets could resolve the overall problem, because intervention could not change economic fundamentals.

Mr Brock also said he did not accept the argument that the U.S. dollar was over-valued because of high interest rates and the large U.S. Federal budget deficit, but that it reflected the basic strength of the U.S. economy. He acknowledged, however, that the U.S. dollar "is at an unsustainable level" if the U.S. did not get its economic accounts in order.

Mr Brock said the present international trading system was in serious trouble and that the situation was too dangerous to ignore. "The U.S. intends to be in new trade negotiations next year with whoever will come to them," he said.

He expressed great caution on Japan's commitment to open up its domestic market to more foreign manufactured goods, suggesting that it would take more than positive statements from Japan to change the situation

Economic Viewpoint, Page 23

Baldrige hits at 'fear of technology' in Europe

BY ALAN FRIEDMAN IN VENICE

A BLISTERING attack on restrictive European industrial policies was delivered yesterday by Mr Malcolm Baldrige, the U.S. Commerce Secretary.

Speaking at a 24-nation meeting in Venice on the problems of unemployment and the application of new technology, Mr Baldrige said that while the acceptance of new technologies in the U.S. had led to the creation of 7.2m jobs since 1982, Europe's fear of technology resulted in nearly two thirds of the industrial world's unemployment being in Europe.

Youth unemployment in Europe was more than 25 per cent and there had been "no net job creation in Europe since 1975," he said, going on to lecture employment ministers from the world's industrialised nations on how to emulate the U.S. example.

First, he said, wages in Europe had been growing too fast. Inflation-adjusted figures showed that while labour costs in the U.S. had grown by only 5 per cent since 1970, the European rate was 40 per cent, despite an economic slowdown and a sharp increase in the potential workforce. In the manufacturing sector the equivalent wage rise rate since 1970 was 10 per cent in the U.S. and 65 per cent in Europe.

He blamed a large part of the rise in labour cost on "government-legislated wage systems that have kept growing regardless of economic realities." He also said that European non-wage benefits were at fault.

A second reason for European companies lagging behind their U.S. counterparts was the existence of "powerful barriers to reducing, or even moving, the workforce." American companies were more willing to hire workers because they could dismiss them "if things go wrong."

The third problem was an over-large tax burden: in Europe government spending took 52 per cent of GNP, compared with 36 per cent in the U.S., he said.

Another "structural rigidity" in Europe was the existence of barriers preventing companies from being formed. Last year 600,000 companies were formed in the U.S. In Europe, Mr Baldridge said, a company needed so many permits that it could take months or even years to get going. He also said that venture capital "under present policies is still minimal."

Praising the use of new technologies by the services sector in the U.S. (services accounted for almost all the 26m jobs created in the U.S. over the past 15 years), he said that in Europe service industries were probably the most restricted of all. Banking, insurance, restaurants and retail stores and other services were protected against competition by "an amazing number of regulations which serve to maintain the status quo."

He said he had found "almost the same attitude in Europe as is found in a great many less-developed countries, who try to restrict foreign investment in services in order to protect their existing firms."

Mr Tom King, UK Employment Secretary, said he agreed with most of Mr Baldrige's comments. "There is a flavour of the U.S. and Japan as the two job-creating nations. We all recognise that the great disappointment is Europe," he said.

Mr King said the Venice conference, which was opened by Italian Prime Minister Mr Bettino Craxi yesterday, would contribute to an improved understanding among industrial nations. "The first thing that is clear is that unemployment can be tackled," he said.

The French delegation to the conference was reported to have bristled during Mr Baldrige's speech, viewing his comments as patronising.

Shell and BHP join forces in bid for Woodside Petroleum

BY MICHAEL THOMPSON-NOEL IN SYDNEY

BROKEN HILL Proprietary (BHP), Australia's largest company, yesterday joined forces with Shell Australia to make an A$458m ($306m) bid to take full control of Woodside Petroleum, the key partner in the country's biggest energy project, the A$11.2bn North-West Shelf natural gas venture off Western Australia.

BHP and Shell Australia, a wholly owned subsidiary of Royal Dutch/Shell, between them already own 42.6 per cent of Woodside, and the bid thus values the whole company at A$800m.

They said their unconditional offer of A$1.60 cash a share was necessary to avoid putting into jeopardy the A$8.5bn second phase of the energy venture, in which Japanese utilities are due to buy 6m tonnes of liquefied natural gas a year.

The initial phase of the project, producing gas for domestic use, started last year.

Woodside, which was a small exploration company until it discovered the immense reserves of gas on the North-West Shelf, has used up most of its original U.S. $1.4bn loan facility, signed in January 1981.

It urgently needs more cash to pay its share of development costs for the second stage, in which it has a 16.7 per cent stake, compared with a 50 per cent holding in the smaller first phase.

Shell and BHP claim that lower energy prices and lower revenues from domestic gas sales have made it "most unlikely" that Woodside would complete its financing in time without a substantial strengthening of its equity base.

Continued on Page 24

Key to bid, Page 27; Market report, Section III

Shultz and Gromyko to discuss summit prospects

By Stewart Fleming in Washington

THE SOVIET Union announced yesterday that Mr George Shultz, the U.S. Secretary of State, and Mr Andrei Gromyko, the Soviet Foreign Minister, would meet in Vienna on May 14 to discuss the prospects for a summit meeting between the countries.

The announcement came amid signs that although U.S. officials strongly favour the summit meeting, which President Ronald Reagan proposed in a letter to the Soviet leader, Mr Mikhail Gorbachev last month, they are backing away from the idea of an informal "get acquainted" session between the heads of the two superpowers.

Mr Thomas "Tip" O'Neill, speaker of the U.S. House of Representatives, yesterday delivered a letter to Mr Gorbachev in Moscow that reportedly expanded Washington's views on a summit meeting.

In California, where President Reagan is on holiday, White House chief-of-staff Mr Donald Regan said on Tuesday that "we think it would be a big let-down not only for Americans, but also for the rest of the world, if the two leaders were to meet and accomplish nothing."

Mr Regan said that the U.S. had always felt that there should be a lot of ground work and an agenda set before any meeting between the two leaders.

During Mr Reagan's first term the Administration firmly rejected the idea of an informal session between the leaders of the two superpowers, but since Vice-President George Bush went to the funeral of Konstantin Chernenko, the late Soviet leader, last month, it seems to have modified its stance.

Top Reagan Administration officials seriously discussed the idea that President Reagan should attend Mr Chernenko's funeral in order to meet the new Soviet leader, and there were hints subsequently that a meeting without a formal agenda might be a possibility.

The change in tone is seen partly as a reflection of the Administration's irritation with Mr Gorbachev's decision to go public last weekend with the announcement of the moratorium on Soviet missile deployment in Europe.

That move was bluntly dismissed by the White House as a political ploy and criticised as a breach of the confidentiality which it had been agreed would surround the resumed arms talks in Geneva.

Mr Gorbachev's announcement is seen, however, as a shrewd political gambit, a move which, if not ban-

Continued on Page 24

Brazil likely to call for further credit

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZILIAN Government officials are reluctantly reaching the conclusion that Brazil will, after all, need to seek "new money" from the international banking community this year. This follows revised forecasts on the country's balance of payments after analysis of the first quarter's disappointing trade performance.

Based on a predicted trade surplus thought unlikely to exceed $8.5bn – compared with the official target of $12.9bn – officials say the shortfall on the 1985 balance of payments could be as high as $3.5bn.

This shortfall could be met either through a new syndicated "jumbo" loan or through the refinancing of interest payments, estimated this year at $11.5bn, or through a combination of both approaches, Government officials argue in private.

The revised balance of payments forecasts being made by the new civilian Government, although still preliminary, are nevertheless likely to shock many of the country's approximately 700 bank creditors. The banks were told by the former Figueiredo Government that Brazil would not need new money for several years ahead.

The likelihood that the creditors will, in one form or another, be asked this year to increase their exposure to Brazil also jeopardises the $43.5bn multi-year rescheduling agreement thrashed out in February.

Completion of the agreement was held up following the suspension by the International Monetary Fund of its Brazilian lending programme.

World Bank officials will begin talks immediately with the Brazilian Government in order to put lending "back on track" for a controversial development project in western Brazil, a bank official said yesterday.

President Tancredo Neves of Brazil was yesterday again in critical condition in the intensive care unit of the São Paulo hospital after an operation on Tuesday night. Official statements said his general condition was causing "considerable concern." For four weeks Sr Neves, 75, has fought abdominal problems and infection.

Based on unofficial figures, in the first quarter Brazil achieved a trade surplus of only $1.9bn, 25 per cent down on the same period last year. Projected over the full year this would give a 1985 visible trade surplus of $7.6bn.

The first months are, however, traditionally weak for Brazilian exporters and officials feel the year-end figure could reasonably be expected to reach $8.5bn.

Politically, the critical question which Sr Francisco Dornelles, the Finance Minister, and Sr Jose Sar-

Continued on Page 24

Neves critical again, Page 5

China bans U.S. ships with nuclear weapons

BY MARK BAKER IN PEKING

HU YAOBANG, the Chinese Communist Party leader, said yesterday that U.S. warships which visited Chinese ports would not carry nuclear weapons.

In Washington, the Pentagon, while refusing to comment on Hu's statement, reiterated that U.S. policy was now and always had been neither to confirm nor deny the presence of nuclear weapons on U.S. ships.

Although China, unlike New Zealand, does not have a defence treaty with the U.S., Hu's statement could rekindle the row within the Anzus military alliance grouping – the U.S. Australia and New Zealand – which was provoked, in part, by the American refusal to stipulate whether warships visiting New Zealand were carrying nuclear weapons.

Hu also said that he and Deng Xiaoping, the Chinese leader, planned to retain their official posts. He denied reports that he intended to resign as party leader at a special conference later in the year and take over from Deng as the chairman of the Central Military Commission.

He said that 60,000 party members were expelled or left the party last year. More ministers and top officials would also lose their jobs as part of the reform to eradicate corruption and to improve efficiency.

Party chief interviewed, Page 3

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Danish Premier refuses to back down on wages

BY HILARY BARNES IN COPENHAGEN

MR. POUL SCHLUETER, the Danish Prime Minister, declared yesterday that he "will not give an inch and will not change a comma" in the Government's statutory incomes policy in face of the widespread strikes and demonstrations by workers defying the order to return to work.

Speaking at a press conference after a routine Cabinet meeting, he warned people not to be taken in by Communist agitation calling for the strikes to continue until the Government is brought down.

The Government's incomes policy, providing for a 2 per cent wage increase this year, became law on March 30. It followed the failure of the LO (TUC) and the Employers' Asociation to reach agreement on two-year collective wage terms.

The strike leaders, who do not have the support of the official trade unions, called for a national day of protest yesterday which was only partially successful.

The Employers' Association said that about 32,000 workers stopped work yesterday. Many of yesterday's strikers are expected to be working normally today.

A demonstration of about 100,00 people took place outside the Folketing (parliament) yesterday, for the third time in two weks.

The stoppages yesterday appear to have been most widespread in the public sector. Many hospitals, nursery schools, secondary schools, radio and television services, the Copenhagen buses and rubbish collection were all affected. No post has been delivered in central Copenhagen since March 28.

The Communists and their militant supporters cannot expect to maintain the momentum of disruption for many more days. Nearly all the major trade unions are firmly controlled by the Social Democrats, who are not supporting the unofficial actions.

Aerospace industry chiefs meet on European fighter

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

BRITISH, FRENCH and West German aerospace industry chiefs meet today in Bonn in an unprecedented effort to break the deadlock over the planned European fighter aircraft.

Sir Ray Lygo, chief executive and managing director of British Aerospace, M Benno-Claude Vallieres, chief executive of Dassault-Breguet and Herr Hans Vogels, chief executive of Messerschmidt-Bolkow-Blohm will discuss major and so far unresolved differences on design leadership and work sharing on the planned aircraft. If it gets off the ground, it will be the largest single joint European defence project.

The meeting of the industry chiefs, the first of its kind, comes only a week after Mr Michael Heseltine, the British Defence Secretary, and Mr Charles Hernu, his French counterpart, failed to resolve Anglo-French differences at their meeting in Paris.

While the planned aircraft would involve five nations—Italy and Spain as well as Britain, France and Germany—Anglo-French differences are at the heart of the deadlock.

France has continued to insist that Dassault-Breguet must have design leadership and at least a 31-33 per cent share in the project. Britain argues that no one country should be given design leadership. British Aerospace would prefer that the UK, France and Germany each have a 25 per cent share with 15 per cent for Italy and 10 per cent for Spain.

The so-called European fighter programme (Efa) calls for the development of a tactical fighter to replace ageing Phantoms, Jaguars and Lockheed F 104s in the five countries by the mid 1990s.

Yugoslavia talks to banks on 1985-88 rescheduling

BY ALEKSANDAR LEBL IN BELGRADE

YUGOSLAVIA and the international co-ordinating committee of creditor banks meet in New York today to negotiate the rescheduling of $3bn of Yugoslav debt falling due betweeen now and 1988.

This is the last part of this year's rescheduling package and follows agreement with the IMF in February on a $300m one-year stand-by credit beginning in May. Yugoslavia negotiated the rescheduling of most of its 1985 debt to Western governments and Kuwait last month.

Yugoslav negotiators may face some difficulties in New York, especially over the spread to be paid over the Libor and the formula for rescheduling.

While Yugoslavia would prefer a single arrangements for four years, the international co-ordinating committee has been offering a serial rescheduling which would involve new negotiations each year.

Yugoslavia has complained about a lack of understanding on the part of its creditors. Mr Raif Dizdarevic, the Foreign Minister, told Parliament two days ago: "Our proposal for a multi-year rescheduling of debts, under more favourable terms, has not met with the support of a number of our partners." Yugoslavia had been implementing all its obligations to its creditors, he said, and had made great sacrifices to secure internal development.

Fianna Fail tries to draw Blaney back to the fold

BY BRENDAN KEENAN IN DUBLIN

MEMBERS of Ireland's Fianna Fail opposition party are trying to secure the readmission of Mr Neil Blaney, a former minister who lost his cabinet job, as did the present party leader, Mr Charles Haughey, in 1970 amid allegations of attempts to import arms to defend Catholics in Northern Ireland.

A Fianna Fail branch in Mr Blaney's Donegal constituency has invited him to apply for membership. However, Mr Blaney, who has been an independent MP for more than 10 years, may not be willing, having argued all along that he did not leave the party but that the party left him.

The calls for his readmission, however, are seen as reflecting the changes in Fianna Fail, which has been moulded increasingly in Mr Haughey's image since he crushed his internal opponents in 1983. Captain James Kelly, a co-defendant of Mr Haughey when they were acquitted of arms charges in 1970, was elected to the party's national executive at its annual conference 10 days ago.

That conference was also noteworthy for a distinctly harder line on Northern Ireland. Mr Haughey himself dismissed suggestions from a number of branches that police should be withdrawn from anti-terrorist duties on the border, but the fact that the motions came up at all was regarded as significant.

Mr Blaney's re-admission to the party would also be a signal on Northern Ireland policy. He is one of the most hawkish of Irish MPs on the issue, arguing that a complete British withdrawal is the only solution. He has also said that he would only join a party which had that as its central policy.

Gorbachev impresses O'Neill delegation

By Patrick Cockburn in Moscow

MR MIKHAIL GORBACHEV, the Soviet leader, met Mr Thomas (Tip) O'Neill, the Speaker of the U.S. House of Representatives, for almost four hours yesterday during which he was handed a letter from President Ronald Reagan reaffirming support for a summit meeting between the two.

Mr O'Neill was complimentary about the capacity of the new Soviet leader, but did not reveal the contents of Mr Reagan's letter.

Another member of the US. delegation said, however, that Mr Gorbachev expressed disappointment that his unilateral freezing of the deployment of Soviet medium-range missiles in Europe had been so rapidly dismissed by the White House.

Mr O'Neill, who is leading a 13-member delegation of U.S. legislators, said of Mr Gorbachev: "About his ability, his talents, his frankness, his openness, I was tremendously impressed. He appeared to be the type of man who would be an excellent trial lawyer, an outstanding attorney in New York had he lived there. He's a master of words and a master of the art of politics and diplomacy."

He also described the Soviet leader as hard, tough and sure of himself.

It is not clear why Mr Gorbachev saw Mr O'Neill for three hours and 43 minutes. Moscow will wish to hold on to the diplomatic initiative it gained by the offer on medium-range weapons, and to keep Mr Reagan on the defensive, but the U.S. response cannot have surprised the Kremlin.

In a separate meeting in Moscow yesterday Mr Andrei Gromyko, the Soviet Foreign Minister, saw Mr Hans van den Broek, his Dutch counterpart, for talks which centred on the Dutch decision over deployment of U.S. cruise missiles.

Mr Gromyko pointed out that much depended on the stand of the Netherlands, according to a report of the meeting from the Soviet news agency Tass. The Soviet Union is eager for the Dutch Government to decide against deployment next November.

It is unlikely, however, that Moscow has believed since 1983 that cruise and Pershing 2 missiles will not be deployed. The thrust of Soviet foreign policy has now largely shifted to opposition to President Reagan's Star Wars strategic defence initiative.

Soviet guard may be court-martialled

A Soviet sentry who shot and killed U.S. Army Major Arthur Nicholson in East Germany last month is facing disciplinary measures and may be court-martialled, Reuter reports from Bonn. Sources, who said their information came from Soviet military officers, reported that the sentry was under arrest and likely to be charged initially with violating guard duty regulations by using excessive force.

They added that the Russian officers stuck by Soviet accounts that Maj Nicholson was well inside a restricted military area.

German group 'responsible for bomb attack'

KARLSRUHE – A hitherto unknown group named after a leading West German left-wing urban guerrilla of the 1970s has said it carried out the Easter Monday bomb attack on a Nato pipeline, the Federal Prosecutor's Office said yesterday.

The department said the "Ulrike Meinhof Fighting Unit Revolutionary Cells" had sent letters to news organisations claiming responsibility for the explosion at Aalen, 60 km east of Stuttgart. Nobody was injured.

Meinhof, a leader of the outlawed Red Army Faction that carried out a series of murders in West Germany in the 1970s, committed suicide in prison in 1976.

The Prosecutor's Office said it was not clear whether the group's members belonged to the Red Army Faction or the "Revolutionary Cells," another ultra-left-wing organisation.

A group calling itself the "Jonas Thimme Fighting Unit" yesterday said it carried out Monday's bombing on a Hamburg company engaged in marine military research. Reuter

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Leslie Colitt looks at an economy that proves resistant to change

Why Czechs don't want to produce more

CZECHOSLOVAKIA'S economic planners are learning to their dismay that trying to interest the typical Czechoslovak in earning more money for better work is an uphill struggle.

Throughout the 1970s, Czechoslovaks grew accustomed to receiving higher pay for doing the minimum required. The Government rewarded the entire population for abstaining from political activity in the aftermath of the Prague spring of 1968 and its discredited political and economic reforms.

Today, government officials complain about the lack of work discipline, and the declining competitiveness of Czechoslovak goods on world markets, while the people appear to be determined to go on enjoying life.

Czechoslovakia is the only Comecon country with no waiting list for new cars – the Government has to stimulate car sales by offering buyers loans at 5 per cent interest. Wages rose 6 per cent from 1981 to 1983, exceeding the amount envisaged for the entire five-year plan, and average bank savings deposits have risen by koruna 818 since the beginning of last year to koruna 13,600 ($1,186).

Although Czechoslovakia remains among the most prosperous Comecon countries, economists in the country suggest that it is living off its past industrial achievements.

But if workers feel little incentive to be more productive, managers also avoid anything that smacks of taking risks. They are already well paid and bribery is often used to obtain desirable consumer goods or steer business to one plant or another.

The head of Czechoslovak customs was recently jailed for 10 years for accepting bribes, while officials of the Prague Housing Department were found to have taken large sums of money from apartment hunters. Underpaid doctors are liberally rewarded by patients for providing routine treatment.

The authorities in effect condone a thriving currency black market involving buying hard-currency coupons used to purchase Western products, but there are not enough such goods in the shops.

Some Czechs suggest that the only way to increase motivation is to boost the amount of Western goods in the shops, and to permit the population to travel freely to the West. Such measures would be highly popular, but no decision is likely on either of them.

The Government's cautious measures to revitalise the economy do not appear to be stirring ordinary citizens or their managers to greater effort. Wage differentiations have been introduced in only a few companies while a much-heralded experiment to bring foreign trade organisations closer to producers is yielding few results.

Economic officials hint that the two years originally envisaged for the experiment may have to be extended to determine the results.

Economic growth of 3.2 per cent last year – the same level is planned for this year – is seen by Western economic officials in Prague as a temporary improvement after several years of stagnation. They note, however, that there has been no improvement in Czechoslovakia's electrical and mechanical engineering exports to the West.

The share of raw materials and semi-manufactures in total exports to the West has risen by 35 per cent since 1949 to 48 per cent last year. Only 3.5 per cent of Czechoslovakia's exports to Austria, but 40 per cent of its imports from Austria, which at the end of the second world war was less developed than Czechoslovakia, are machinery.

Yet Czechoslovakia spends more than 4 per cent of its national income on scientific and technical development. The chairman of the state committee for scientific technical and investment development, Mr Jaromir Obzina, said the main tasks last year were fulfilled, but those largely duplicated the efforts of researchers elsewhere.

Directors of foreign trade companies speak of a rigidity among producers which makes them unable to compete effectively in hard-currency markets. The central plan determines exports to the West, one foreign trade company director noted, not incentives to retain hard currency.

"Even if a factory is having trouble selling what it produces, I cannot get it to turn out what the market wants in the West," one manager of a mechanical engineering enterprise complained.

Despite intense official criticism of the engineering sector for failing to keep pace with international developments, the ministries and engineering directors responsible insist that their companies are highly competitive and that the laggards are elsewhere, largely in electronics. "How could we export to 120 countries, if our products were not up to date?" a director of one company asked.

Czechoslovak officials who criticise the absence of work discipline and of initiative are none the less wary of change. Mr Jan Fojtik, a secretary of the Central Committee, recently warned party ideological workers that the encouraging of initiative might lead to "deformations, a revival of individualism, speculation, a strengthening of reformism and other phenomena."

His comment was a reminder of the extent to which the 1968 proposals for reform continue to haunt Czechoslovakia, long after they have been ostensibly eradicated.

Howe seeks to defend Nato unity on star wars

BY DAVID BUCHAN IN PRAGUE

Sir Geoffrey Howe

SIR GEOFFREY Howe, the British Foreign Secretary, yesterday had his famous warning of the U.S. star wars programme as a possible "Maginot Line of the 21st century" quoted back directly to his face by a Warsaw Pact foreign minister, and sought to defend Nato unity on at least the issue of space defence research.

In a bluntly worded speech made before the opening of talks with his British guest here, Mr Bohuslav Chnoupek, the Czechoslovak Foreign Minister, laid out the main lines of Soviet arms control policy, calling for a freeze on Euro-missile deployment, criticising U.S. development of MX strategic missiles and the testing of space weapons, and condemning West German "revanchism". Czechoslovakia is one of Moscow's most loyal allies and a dutiful propagator of its views.

Sir Geoffrey, the first British Foreign Secretary here for 20 years, found himself momentarily embarrassed by Mr Chnoupek's use of the Maginot Line quotation in the initial speech at an opening lunch. He was at pains, in both his answering speech and in later private talks, to try to convince the sceptical Czechoslovak side that Britain was at one with the Reagan Administration on the need for research to match the much larger Soviet space weapon research programme, in progress for several years.

Much of the focus of the ministerial talks, however, turned on human rights, with Sir Geoffrey inserting into his speech a line from the persecuted Charter 77 civil rights organisation to the effect that freedoms defended by the Helsinki accords were "the features of civilised life."

The UK Foreign Secretary has sought to meet a representation wider than just government officials.

Mr Chnoupek countered that while the West thought the human rights aspects of Helsinki were a "painful spot" for Czechoslovakia, that was not so.

The Czechoslovak minister said that freedoms were interpreted differently in the different parts of Europe, and that there was freedom to travel for Czechoslovaks, 10m of whom travelled abroad each year.

He also claimed that while "Chartists" could find public employment in Czechoslovakia, Communists could not do the same in West Germany.

Some 15 Chartists are currently believed to be in jail, and according to an unconfirmed report circulating yesterday, Mr Jiri Hayek, a foreign minister in the 1968 Dubcek Government and now a leading Chartist, had been told to stay at his house outside Prague for the duration of Sir Geoffrey's visit. Throughout his East European trips, the British Foreign Secretary has sought to meet a representation wider than just government officials.

Calling for further improvement in addition to the 15 per cent increase in two-way trade last year between Britain and Czechoslovakia, Sir Geoffrey said that both countries had "a long tradition of high-quality manufacturing industry," and he specifically sought to promote the cause of three UK companies – Northern Engineering Industries, Brown Boveri Kent, and APV Holdings – which are in the running to win new orders here.

In another context, Mr Chnoupek said that if Britain were to maintain the same regular political contacts with Czechoslovakia that West Germany does, that might have a similar commercial spin-off for UK companies.

Leslie Colitt adds from East Berlin: East Germany's main Communist newspaper, Neues Deutschland, reprinted remarks by Sir Geoffrey at his East Berlin news conference that an important aspect of human rights was the "freedom to travel." He was also quoted as saying he had discussed humanitarian questions in his talks with the East German leadership.

The Foreign Secretary's remarks at a dinner in East Berlin on the need for the East to lower its "walls and barriers" were rendered in Neues Deutschland as "removing all barriers" still separating peoples.

The fact that the newspaper recorded any of Sir Geoffrey's more sensitive comments in East Berlin contrasted with the deletion by the Soviet Union of critical passages in his speech delivered during an earlier official visit to Moscow.

W. German ambassador recalled

By Rupert Cornwell in Bonn

THE WEST German Government said yesterday that it was recalling its Ambassador in Libya for "consultations" after the murder in Bonn on Saturday of a Libyan exile actively opposed to the Tripoli regime.

At the same time, Iraq said it was expelling the West German Chargé d'Affaires in Baghdad for "open interference in Iraq's internal affairs," normally a diplomatic euphemism for espionage.

The decision to recall the Ambassador in Tripoli, Herr Rolf Enders, was taken at a Cabinet meeting yesterday morning, where it is understood that Herr Hans Dietrich Genscher, the Foreign Minister, had to resist pressure from some colleagues who suspect that the killing was ordered by Tripoli and who were calling for tougher action against Libya.

The murdered exile, Mr Gebril Denali, was shot in a crowded Bonn shopping plaza. Two other people were also shot and seriously hurt before the assassin, identified as another Libyan, Mr Fatahi Tarhoni was overpowered. The head of the Libyan People's Bureau in Bonn, when called to the Foreign Ministry on Tuesday, denied that Mr Tarhoni had been acting on behalf of the Government.

It seems likely, however, that there will be strong political resistance to simply extraditing Mr Tarhoni, not least because a German television crew filming the People's Bureau after the shooting was dragged into the building and forced to surrender their film.

Herr Genscher's more cautious reaction reflects the fact that Libya is West Germany's biggest trading partner in Africa, and its second biggest source of oil.

The Foreign Ministry here is also warning that the 1,500 German nationals living in Libya might come under threat if Mr Tarhoni is put on trial in Bonn.

Two years ago 12 West Germans in Libya were arrested and held after a Libyan had been convicted of murdering an opponent of Colonel Muammer Gadaffi's Government in Bonn. The 12 were eventually swapped for the convict and two other imprisoned Libyans.

Meanwhile, Foreign Ministry officials were yesterday urgently trying to discover why their representative in Baghdad, Herr Helmut Arndt, has been given seven days to leave the country.

Bonn had asked the Iraqis to detail the charges against Herr Arndt, the officials said, but by late yesterday Baghdad had not expanded on its initial vague statement.

EEC SOCIALIST PARTIES ISSUE JOINT WARNING

Concern in Europe about space weapons

BY DAVID WHITE IN MADRID

EUROPEAN COMMUNITY Socialist parties issued a joint warning yesterday about what the "dangers of destabilisation" arising from President Ronald Reagan's Star Wars programme.

In a resolution approved by an overwhelming majority at the end of a two-day conference here, they urged political co-operation between European countries to produce a united response to the latest developments in the East-West arms race.

The warning about the U.S. Strategic Defence Initiative (Star Wars), involving space-based anti-missile systems, came in a compromise arms statement designed to reconcile different positions, and was criticised by some delegations for being insufficiently hard-hitting.

This section of the conference's closing resolution was re-worded to include a warning about the Soviet arms build-up and criticism of anti-satellite plans being developed by both the Soviet Union and the U.S.

No common position emerged from the conference on the Soviet Union's latest offer to suspend deployment of medium-range missiles. The conference chairman, former Dutch Prime Minister Joop den Uyl, said the subject was not on the agenda.

The resolution called on Europe to define a joint security policy and to take an active role in arms control talks. The Community needed, it said, to strengthen political co-operation in order to assert Europe's independence vis-a-vis the superpowers.

Besides its emphasis on political and economic autonomy, the resolution focussed on growth policies, giving "absolute priority" to job creation. It called for special public investment programmes equivalent to 1 per cent of each country's gross national product, and re-affirmed the aim of a 35-hour working week.

The conference underlined the need for "urgent reforms" in the Community, especially in view of the imminent entry of Spain and Portugal. This included reform of the common agricultural policy.

However, M Lionel Jospin, first secretary of the French Socialist Party, sounded a discordant note by proposing an "adaptation" of the farm policy without calling its basic principles into question. Speaking in the wake of the surprise resignation of M Michel Rocard as French Agriculture Minister, he said that these principles—and especially that of Community preference—had to be reinforced.

He promised that the Socialist-dominated French National Assembly would ratify the EEC enlargement treaties this year in order to enable Spain and Portugal to join as scheduled on January 1.

Sr Felipe Gonzalez, the Spanish Prime Minister, said in his closing address that Spain would, from the outset, play an active part in efforts to increase European integration and to develop the Community's institutions.

Alan Friedman adds from Venice: Sig Bettino Craxi, the Italian Prime Minister, yesterday repeated his call for a Western counter-offer to the announcement last weekend by Mr Mikhail Gorbachev, the Soviet leader, that Moscow will impose a unilateral moratorium on the installation of SS-20 missiles until next November.

In a statement released during a conference here on unemployment, Sig Craxi called the proposal as "not just a manoeuvre, but a sign of goodwill and a desire for dialogue."

Mr George Keyworth, President Reagan's science adviser who was also at the conference, continued to deride Mr Gorbachev's initiative as "pure propaganda." Mr Keyworth, who has also been discussing the U.S. Administration's Star Wars policy with ministers in France, Britain and West Germany in recent days, said he did not regard it "as a significant offer."

He said his talks had persuaded him that there would be positive responses to the U.S. call for European participation in Star Wars research. "There is an increased understanding that there is real technical feasibility," he said. He will meet Italian officials in Rome tomorrow.

Ankara starts arms and drugs smuggling trial

ANKARA – A big smuggling trial began in Ankara yesterday in which 13 of the accused might face the death penalty for trading in drugs and arms to aid Armenian guerrillas and separatist groups, the Anatolian news agency said.

They are accused in a military court of smuggling morphine base and heroin out of Turkey and bringing in guns to sell to guerrillas. The weapons included 500 Kalashnikov automatic weapons, 15,000 pistols and 2m rounds of ammunition.

According to the agency, the 13 were accused of aiding "terrorist organisations, Asala and DDKD organisation separatists." Asala is the Armenian Secret Army for the Liberation of Armenia, whose latest attack was a siege at the Turkish Embassy in Canada on March 12 when Ambassador Coskun Kirca was severely injured.

DDKD refers to a little-known pro-Kurdish group, the Eastern Revolutionary Cultural Association. Autonomy-seeking Kurdish guerrillas repeatedly clash with troops in eastern Turkey.

The prosecutor seeks the death penalty for the alleged leader, Mr Behce Canturk, and 12 others. He said five should be jailed for up to 16 years and 33 acquitted.
Reuter

Israel speeds up its second-phase pullout from south Lebanon

BY DAVID LENNON IN TEL AVIV

THE withdrawal of Israel's occupation force in southern Lebanon is being accelerated dramatically with the expected start of its second-phase pullout from an area of about 200 sq km north of the Litani River, including the town of Nabatiyeh.

The second-phase operation is expected to be completed by the end of this month, weeks ahead of what was envisaged until recently.

Full withdrawal, decided upon by the Cabinet in January with the aim of bringing all troops back by the end of the summer, should now be accomplished before June—nearly three years after the invasion.

The area involved in the second phase compares with the 350 kilometers in the Sidon area from which the Israeli Army started pulling back in February.

News of the imminent pullback came in the wake of the killing of two Israeli soldiers and wounding of two others by a 16-year-old girl suicide car bomber who drove into an Army convoy at the Bater al Chouf checkpoint 24 kilometers east of Sidon.

Apart from Nabatiyeh the area includes dozens of Shi'ite villages which have been the centre of guerrilla activity against the occupying force.

Guerrilla attacks are now running at a rate of 250 a month, four times the average last year. The incident on Tuesday night brought the number of Israeli dead since the invasion to 646 of whom 42 have been killed this year.

The next phase of withdrawal will, in effect, end the Israeli occupation which began with the invasion in June 1982, which was originally designed to wipe out Palestinian guerrilla bases in southern Lebanon. The prolonged occupation aroused the hostility of the previously quiescent southern Lebanese Shi'ite population which has proved to be a much tougher opponent than the Palestinians.

The speeding-up of the pullback from the Nabatiyeh region was made possible by the evacuation last week of the Ansar detention centre which Israel built just west of Nabatiyeh.

Jerusalem has rejected the international protests over the transfer of 1,200 Lebanese prisoners from Ansar to Israel, which is contrary to the conventions prohibiting the transferral of prisoners of war outside their own country.

● Israeli security sources yesterday said Shi'ite Moslem areas in south Lebanon "will cease to exist" if Shi'ite guerrillas attack Israel after its troops withdraw, state radio reported, Reuter adds from Tel Aviv.

The sources, usually a euphemism for a senior Defence Ministry official who does not want to be identified, spoke at a briefing to Israeli political correspondents.

Sudanese leader sets up army council

By Our Middle East Staff

GEN Abdul-Rahman Swareddahab, Sudan's new leader who seized power five days ago, has appointed a 10-man "Transitional Military Council" but in a broadcast on Tuesday night gave no indication how long it might stay in power before the promised return to civilian rule.

He rejected calls from political factions, professional organisations and trade unions for an end to the state of emergency but repeated his stated commitment to restoring civilian rule.

Yesterday there was no further news from Khartoum as telephone and telex communications with the outside world were cut in the middle of the morning, only three days after they had started operating again.

In a move probably signifying a mainstream Arab foreign policy, as well as an urgent need for Arab aid one member of the new council, Gen Youssef Hassan Haj (a retired officer) flew to Ridyadh, the Saudi Arabian capital, and is believed to have briefed King Fahd on the coup which overthrew President Jaafar Nimeiri.

Vice-President of the new council is Gen Taj al-Din Abdullah, chief of the army's administration, who is thought to have been the leading "strong man" behind the coup.

Hu Yaobang, the Communist Party leader, talks to **Mark Baker** in Peking

China wins U.S. pledge over N-armed ships

THE U.S. has promised to give guarantees that its warships visiting China will not carry nuclear weapons, according to Chinese leaders.

The Chinese Communist Party leader, Hu Yaobang, said in an interview yesterday that an agreement under which the first U.S. warships are likely to visit China this summer stipulated that they must be conventionally-armed vessels.

Hu said that as it was an issue of China's "sovereignty," the U.S. had to consent to the agreement barring nuclear ships. His disclosure is likely to rekindle the row within Anzus and anger the New Zealand Government.

The refusal of the U.S. to stipulate whether or not its visiting ships would carry nuclear weapons exacerbated the split between Wellington and Washington on the nuclear issue.

China agreed last November that warships of the U.S. Seventh Fleet would be allowed to make courtesy calls at Chinese ports, but it was not disclosed at the time whether nuclear vessels would be barred.

It has been expected that the first ships will visit Shanghai this summer.

Hu was asked when the first U.S. ships would arrive and whether they would carry nuclear arms. He referred the question to the vice foreign minister in charge of U.S. and Australasian affairs, Zhu Qizhen, who said: "The time of the visit is still under discussion. It is an informal visit and the visit would be a conventional warship."

Hu Yaobang: an issue of China's sovereignty

WITH A ceremonial, unanimous show of hands, China's legislature ratified yesterday the Anglo-Chinese pact that will restore Hong Kong to Peking control in 1997 and guarantee its capitalist system for 50 years, AP reports from Peking.

The National People's Congress also approved a resolution to create a committee that will draft a "basic law" for the world's third largest financial centre after the handover, and specified that the group will include Hong Kong people.

The ratification was the last legislative hurdle before implementation of the accord, signed by Zhao and Mrs Margaret Thatcher, the UK Prime Minister last December 19. Britain's Parliament has already ratified it.

Asked whether "conventional" meant non-nuclear armed and whether China could verify that, Zhu said: "Yes. That is a correct understanding." Asked if the U.S. had agreed to these provisions, he said: "That has already been an agreement between China and the U.S."

Hu added: "As they are coming to enter Chinese waters, that is our sovereignty, so they have to give their consent."

The Communist Party chief will begin an official tour of Australia, New Zealand and the South Pacific on Saturday.

China, one of the five nuclear powers, has previously endorsed New Zealand's anti-nuclear stand. The official Communist Party newspaper People's Daily praised the policy late last year as an admirable stand against "superpower hegemony."

But Hu said yesterday that he would not be pursuing the issue in his talks with Australia's Prime Minister Bob Hawke or New Zealand's Prime Minister David Lange.

"The position taken by the people of New Zealand with regard to the question of nuclear weapons is an internal affair of New Zealand and we are not in a position to make any comment on that," he said. "I am not preparing to bring that up during my discussions with them."

● Hu also confirmed that both he and China's paramount leader, Deng Xiaoping, plan to retain their official posts.

Hu denied persistent speculation that he will resign as general secretary of the party at a special conference in September and take over from Deng as chairman of the Central Military Commission, which controls China's armed forces.

"Provided I do not make big mistakes I think I will continue to be general secretary until the party congress which will be held in 1987," he said. "Comrade Deng Xiaoping is in very good health. All of us support him, hoping that he will remain as chairman of the Central Military Commission.

But Hu said more government ministers and top party officials would lose their jobs by the end of the year and changes were also possible within the ranks of vice-premiers and members of the Government's State Council.

During the 40-minute meeting at Zhongnanhai, the leadership's compound in central Peking, Hu said:

● China was continuing to provide assistance to all three groups in the Kampuchean resistance, but this assistance was small and the coalition "mainly rely on themselves for their national salvation."

● China was maintaining a flexible approach in the current talks on Sino-Soviet normalisation in Moscow: "We have been always optimistic, but we are not being blindly optimistic."

Hu gave further details of the extensive drive under way to retire aging and incompetent officials in the party and government and replace them with younger and better educated officials.

He said: "A few younger people" would be added to the ranks of the powerful Politburo and party secretariat this year.

On the question of who might eventually succeed Deng as the most senior leader, Hu said: "That is to be decided by the entire party membership, according to their will.

"But I can tell you something, my friends: now it's Premier Zhao Ziyang and myself who are running the day-to-day work of our country."

He said that 60,000 party members had been expelled or had left the party "for various reasons" last year.

Karami to boycott cabinet

BY NORA BOUSTANY IN BEIRUT

LEBANON'S Prime Minister, Mr Rashid Karami, yesterday announced he would be boycotting cabinet sessions until decisions aimed at bringing to an end three weeks of fighting around Sidon were implemented.

His stand was the most serious affecting the fate of the ten-man National Unity cabinet since it was formed a year ago. It was in reaction to the failure by the Lebanese army to send ammunition and troop reinforcements to the embattled port city of Sidon, where Christian militiamen have been shelling Lebanese army positions and Palestinian refugee camps since March 18.

The radio station of the Christian Lebanese Forces, Voice of Free Lebanon, has been charging that guerrillas and Moslem fighters have infiltrated back into the town, east of which Christian militias would like to carve a swathe of land down to Jezzine, in the Israeli-controlled border region.

Mr Karami, a Sunni Moslem, and other Sunni leaders such as Sidon parliamentarian, Dr Nazih Bizri, have been pressing—with Syrian backing—for army control of the city, which was evacuated by Israeli troops on February 16.

Procrastination on the part of central military authorities to giving clear orders to Lebanese troops to fight back, and delays in sending badly needed arms and material to Sidon has not gone down well with Lebanon's Moslem leadership. The Minister of Education, Dr Selim Hoss, declared his solidarity with the Prime Minister.

Mr Bob Hawke

Hawke warns of tougher economic policy

By Michael Thompson-Noel in Sydney

MR BOB HAWKE, the Australian Prime Minister, insisted yesterday that his Labor Party Government was in full control of the economy, and foreshadowed a belt-tightening financial statement next month.

Mr Hawke's aims were to halt the slide of the Australian dollar, and reassert his authority in Canberra, which has been undermined by allegations of weak leadership.

The Australian dollar has fallen sharply since the start of the year, fuelling fears that higher prices for imported and import-competing goods will feed inflation and endanger Labor's pivotal pay pact with the trades unions.

Mr Hawke said yesterday that the Reserve Bank had been active in the money market to push up interest rates. "I think it has become increasingly evident in recent days that there has not been any weakening of monetary policy, and therefore this may now be reflected in the value of the dollar," he said.

The Australian dollar has fallen by 20 per cent against the U.S. dollar since the start of the year, providing a major boost for share prices, particularly resource stocks, whose earnings are largely denominated in U.S. dollars.

However, the fall of the Australian dollar below U.S. 70 cents is viewed as excessive. Yesterday it closed at U.S. 66.6 cents, against a level 20 cents higher in March last year.

Mr Hawke said that maintenance of sustained non-inflationary growth is Labor's chief priority. Overall, he said, Labor has created 360,000 jobs since April 1983, and cut inflation to 5.1 per cent, its lowest annual rate in 13 years.

Thatcher told of trade fears

By Robert Mauthner, Diplomatic Correspondent, in Jakarta

PRESIDENT Suharto has warned Mrs Margaret Thatcher, the UK Prime Minister, that trade restrictions which discriminate against the developing countries could ultimately cause political unrest and international tension.

The Indonesian President's concern, expressed at a banquet in Mrs Thatcher's honour on Tuesday night, was again the subject of wide-ranging discussions lasting two hours between the two leaders yesterday.

Mrs Thatcher told President Suharto that Britain strongly supported a new round of talks within the General Agreement on Tariffs and Trade (Gatt) for the liberalisation of world trade. However, some doubts were expressed in Jakarta about whether the developing world's interests would be fully taken into account by the industrialised countries in a new round of tariff-cutting talks.

In Indonesia, as in the previous stages of her six-nation tour of South-East and South Asia, which has already taken her to Malaysia, Singapore and Brunei, Mrs Thatcher has gone out of her way to lay the groundwork for greater trade between Britain and the host country.

Mrs Thatcher is the first British Prime Minister ever to visit Indonesia, a former Dutch colony, and the Indonesian market has been relatively neglected by Britain compared with that of Commonwealth countries in the South-East Asia region.

Though £75m in British aid has been disbursed in Indonesia over the past five years and important bilateral industrial projects are under way, Britain still lags far behind other major industrialised countries such as Japan, the U.S., Australia, the Netherlands, France and West Germany in this field. In the Indonesian foreign investment league table, Britain is only in seventh position.

Mr Thatcher has been calling upon British businessmen to make a greater effort in the Indonesian market. But both Indonesian officials and British businessmen in Jakarta said that other governments are much more generous than Britain in the provision of long-term soft loan facilities.

Neves critical again after undergoing sixth operation

BY ANDREW WHITLEY IN RIO DE JANEIRO

PRESIDENT Tancredo Neves of Brazil was yesterday again in a critical condition in the intensive care unit of the Sau Paulo hospital following *a sixth operation*, a tracheotomy, on Tuesday night.

Official statements said his general condition was causing "considerable concern," but there was still room for hope that he would survive this latest relapse. For four weeks Sr Neves, 75, has fought against a series of abdominaal problems and subsequent infection.

The consensus of medical opinion is that, even if the Brazilian president survives, he will not be fit to take office for at least six months — and possibly for as long as a year. The *burden* of the office will thus shift for the foreseeable future to Sr Jose Sarney, the Vice President and acting head of state.

Sr Sarney has been praised on *all sides for his discreet performance* in recent weeks. But the big challenge of launching the "new republic" promised by Sr Neves is still to come.

The Government has made a very hesitant start to its six-year term. The few serious initiatives it has undertaken so far have run into unexpectedly strong Congressional resistance. On the other hand, the only major decision taken by Congress — approving the setting up of a new state — was vetoed by the acting president.

In an effort to end the sense of drift and exert his own authority Sr Sarney announced this week that he would be taking up a \$3.3bn (£2.75bn) emergency action programme drawn up by a special commission before the Government took office.

The programme had been shelved following opposition by Sr Francisco Dornelles, the Finance Minister, who is President Neves's nephew and one of his closest aides. He and other like-minded officials argue that the resources are not available and dispute the benefits of a programme designed to meet health, sanitation and basic foodstuff needs.

A full cabinet meeting has been called by Sr Sarney for to*morrow. At this, the emer*gency programe and Brazil's looming debt re-negotiation are expected to be the main issues.

In putting his constitutional authority into practice, Sr Sarney, 55, suffers the serious disadvantage that he only joined the Brazilian Democratic Movement Party (PMDB), the leading party in the government coalition, eight months ago. *This followed his defection from* the military-created Social Democratic Party (SDP), of which he had been president since its creation in 1979.

Unlike most Brazilian politi*cians, the* vice president does not have a strong regional power base. He comes from Maranhao in the north, a state of little political significance, which he has represented previously as federal senator and state governor.

A poet of some minor distinction, Sr Sarney does not conceal his preference for the world of literature over those of politics or economics — the latter being a subject he candidly admits to having no feeling for.

In charge: Sarney

World Bank and Brazil reconsider project

By Nancy Dunne in Washington

WORLD BANK officials will begin talks immediately with the Brazilian Government in order to get lending "back on track" for a controversial development project in western Brazil, a bank official said yesterday.

The bank decided last month to halt \$250m of loan disbursements for the agri-business project in western Brazil, for the first time the World Bank has suspended payments for environmental reasonns. The Bank, which has already handed out \$178.3m for the project, claims that Brazil agreed that disbursements be suspended.

The bank's loan is for development *of a project* in Polonoroeste in Rondonia *province in western Brazil*, which calls for the construction of a 1,000-mile jungle penetration road and for several agricultural services.

However, environmental critics and several congressmen have complained that conditions for protection of Indians and the environment have not been met. They say the development was poorly planned, and led to unsustainable land use, deforestation, invasion of Indian lands and violent land conflicts.

Nancy Dunne reports on court battles over wage equality for women

U.S. pay discrimination in the dock

IN San Jose, California, five years ago, a senior legal secretary employed by the city earned \$665 (£554) per month, while a city carpenter earned \$1,040.

The jobs were rated by independent analysts to be roughly equal in terms of the skill and effort required, the working conditions and the responsibilities involved. Yet the secretaries, who were mostly women, earned considerably less than the men who were hired as carpenters.

In the U.S., 80 per cent of all women work in 20 out of 427 occupations, according to the Census Bureau. The jobs on those 20 occupations are always among the lowest paying, and the skills they require do not appear to be worth much to their employers.

American women earn 63 per cent of what men earn. In Chicago, unskilled labourers were found to earn about twice as much as librarians. In *Philadelphia, wall washers earn* more than licensed practical nurses. In Wisconsin, state employed bakers, who are usually men, are paid more than women cooks.

Is the pay disparity a product of the free market system or is it the result of an historical bias against women workers, so deeply rooted that the discrimination may not even be *intentional?* In this era of politcal conservatism in the U.S., the 12-year-old question of "equal pay for comparable worth" *is still* hotly debated in U.S. legislatures, courtrooms and labour negotiations.

Last Thursday the question came before the Ninth District Court of Appeals in Seattle, and *today it is to be addressed* by the U.S. Civil Rights Commission.

The Seattle court is to hear the most important case on comparable worth so far, an appeal by the State of Washington which has been ordered by a lower court to pay back wages and raise the salaries of thousands of its women employees.

Claiming that the ruling will cost the state more than \$1bn, Washington has chosen to fight a 1983 finding of "overwhelming" evidence that it has practised a job discrimination which is "pervasive, intentional and in violation of the law."

Under U.S. civil rights law, employees are required to provide "equal pay for equal work," and they must not dis*criminate through any form of* compensation on the basis of sex, race, religion or age.

The American federation of state, county and municipal employees (Afscme), which filed the Washington state suit and three others, says that woman state employees receive about 20 per cent less pay than men doing comparable work.

As evidence of intent to discriminate it presents: the state's practice of targeting employees by placing classified ads in the "male" and "female" help wanted columns until the newspapers refused to carry such ads; job descriptions which listed sex as a job qualification, and a general assumption that certain jobs were for men or women.

There is little sympathy with the argument in Washington DC where the Civil Rights Commission is expected to agree with its chairman, Mr Clarence Pen*dleton,* who *ridicules* as "looney" the concept of comparable worth.

The Commission, which has been re-organised and staffed with Conservative members by the Reagan Administration, is expected to accept a 232-page staff study which concludes that "comparable worth, as a theory of discrimination or as a remedy *for* discrimination, is profuondly and irretriveably flawed."

The study says that evaluations of job worth are "inherently subjective" and "cannot prove the existence of sex-based wage *discrimination.*" There is, it says, "no legally certain, objective way of comparing the value or worth of two different jobs."

A policy of comparable worth *would require* "a radical reordering of our economic systems," giving the courts and government bureaucrats a much larger role in setting wages.

Predictably, the Reagan Administration opposes comparable worth on the grounds that government policy must not interfere with the marketplace.

The Justice Department is expected to enter court suits on the side of the cities and states under attack with a copy of the Civil Rights Commission report in hand.

Without federal legislation or a definitive Supreme Court decision, comparable worth is likely to get nowhere in the private sector. But many state and local governments have taken up the issue.

Minnesota in 1982 agreed through collective bargaining to phase in an equitable salary structure over four years. Iowa has decided to modernise its pay system, but has yet to agree on how.

A recent study by the National Governors' Association found that five states had adopted comparable worth policies for at least some public employees, while 29 states were conducting studies. Several large cities are also moving to change their wage structures.

Meanwhile, in the private sector, women have been entering the traditional male fields in droves—as professionals, auto mechanics, construction workers—but the overwhelming majority are working as clerks *and in the service fields.*

"Women are taught through socialisation that they are not worth very much," says Miss Diana Rock of Afscme. "They are told it is OK to play a sup*porting role.*"

That is something which will not be changed by the courts or the legislatures.

Libel verdict against Washington Post reinstated

BY PAUL TAYLOR IN NEW YORK

A U.S. Federal Appeals Court has reinstated the controversial \$2.05m (£1.71m) jury libel verdict against the Washington Post newspaper which was found guilty of libelling Mr William Tavoulareas, the now retired president of Mobil, in a 1979 article.

The Post article said that Mr Tavoulareas had "*set up his* son," Peter, in a shipping business and implied he had misused his position and corporate assets to benefit his son by steering Mobil business to his *son's company, Atlas Maritime* of London.

The 1982 jury verdict was reversed in May 1983 by a federal district judge who ruled that there was "no evidence in the record" *that the Post article* contained "knowing lies or statements made in reckless disregard of the truth."

However, in a two-to-one decision written by Judge George MacKinnon, the U.S. Appeals Court ruled that the article did contain false statements and there was sufficient evidence "to demonstrate that the article was published in reckless disregard of its falsity."

The 88-page decision cites numerous details which it says support the view that the article was published with "actual malice"—a key test in U.S. libel law.

The appeal court verdict was warmly welcomed by Mr Tavoulareas but caused dismay to newspaper editors who have previously viewed the appeals court as a staunch supporter of press freedom in the U.S.

The Washington Post, in a front page story yesterday, expressed disappointment with the ruling and said it naturally agreed with the dissenting judge, Skelly Wright, who argued that, "If this excessive jury verdict on these mundane, flimsy facts is upheld, the effect on freedom of expression will be incalculable."

The Post also indicated that it is considering the options it has left to challenge the verdict. Among these the newspaper's lawyers said they would ask the 10 full-time Appeals Court judges to consider rehearing arguments in the case and overturn the decision.

The Post could also seek to have the Supreme Court rule on the case which has already become a *crucial test of the* limits of press freedom in the U.S.

GE urges Pentagon to lift ban on defence contracts

BY PAUL TAYLOR IN NEW YORK

GENERAL ELECTRIC, the fourth largest U.S. defence contractor, has urged the Pentagon to lift a ban on its bidding for new defence contracts. The ban was imposed after the company was charged with defrauding the Government by illegally claiming \$800,000 in labour expenses on a nuclear warhead missile contract.

GE, which has pleaded not guilty to the charges, confirmed yesterday that it has "delivered a package" of documents to the Pentagon detailing what steps the group has taken or plans to take, to correct problems identified by the U.S. Air Force.

Mr Verne Orr, Air Force Secretary, suspended GE indefinitely from bidding for Pentagon defence contracts on March 28 decause of the fraud charges. In a letter to Mr John Welch, GE chairman, Mr Orr said the suspension would remain in effect "pending completion of the legal proceedings," or until GE convinced him that steps had been taken "to safeguard against the possibility that such conduct might occur in the future."

GE said yesterday that it supplied the information in response to the request from the Air Force Secretary and represented an attempt "to assure him that GE is a responsible defence contractor" and to "meet his concerns."

The company, however, emphasised that the documents do not relate to a separate request from the air force that GE repay \$186m in what the air force claims were excess profits on the manufacture of aircraft engine parts over a six-year period. GE said it has not agreed to repay the monies which it considers were legitimate profits from a fixed price contract.

Argentina to seek foreign investment in oil industry

BY JIMMY BURNS IN BUENOS AIRES

THE Argentine Government is stepping up its efforts to attract greater *foreign* participation in the oil industry as a way of increasing the country's energy reserves and boosting trade balances.

Sr Roque Caranza, the Minister of *Public Works, said* in a nationwide TV broadcast that without major investment by foreign companies, Argentina would find it difficult to maintain its self-sufficiency in energy, let alone generate the exportable surpluses to improve the country's balance of payments.

The speech is part of a government campaign aimed at softening public opinion in the wake of an apparent U-turn in official oil policy.

The change, which first surfaced last month in a message delivered publicly to leading U.S. *oil executives* during President Raul Alfonsin's visit to the U.S. has encountered stiff opposition within Parliament. It threatens to become a major issue in the run-up to the mid-term elections in *November.*

The ruling Radical Party has historically pursued a strongly nationalist line on oil. However, hard facts appear to have forced the Administration of Sr Alfonsin to pursue a more pragmatic approach.

Since 1970 Argentina's oil *reserves* have remained virtually unchanged. In recent years production has only been able to meet domestic needs because of a sharp drop in consumption brought about by recession and the *availability of* alternative energy sources such as hydroelectricity and natural gas.

The state oil company Yacimentos Petroliferos Fiscales (YPF) accounts for 40 per cent of state investment in the energy sector and 70 per cent of oil production.

Sr Carranza gave no details *of* the kinds of terms that will be offered to foreign companies. But it is understood that the Government will next month call for bids for offshore and onshore exploration contracts *mostly in southern Argentina.*

Tebbit to promote market access in visit to Japan

BY CHRISTIAN TYLER, TRADE EDITOR

BRITAIN will be adding its weight to U.S. pressure on Japan to open her market further, when Mr Norman Tebbit, UK Trade and Industry Secretary, visits Tokyo next week.

Unlike the Americans, however, Mr Tebbit is expected to focus less on the bilateral deficit — standing at £2.87bn on manufactured goods in Britain's case — as on Japan's persistent lack of willingness to import from all trading partners.

According to officials in London yesterday, better market access it vital to a stable trading system and could determine the success of the proposed new round of multilateral negotiations in the General Agreement on Tariffs and Trade (Gatt).

Mr Tebbit will be seeking details of this week's pledges from Tokyo to institute a three-year action programme to improve market access.

The Secretary of State will be meeting Premier Yasuhiro Nakasone and the ministers of foreign affairs, finance, international trade and telecommunications. He will also talk to leaders of the Keidanren, the industry confederation.

On behalf of UK exporters, Mr Tebbit will be pursuing the opportunities for sale of telecommunications equipment to the recently privatised Japanese network, for the supply of civilian aircraft like the BA 146, and for contracts for defence and space equipment.

Informal obstacles to direct investment in Japan — notably the foreign acquisition of Japanese companies — will also be discussed, officials said. But it is recognised that the barriers are mainly due to Japan's industrial structure and cultural remoteness.

British financial institutions are likewise looking for better access, especially in trust banking and investment advice.

A subsidiary theme of Mr Tebbit's visit will be to encourage further Japanese investment in the UK; a campaign to attract more medium-sized companies is already under way with Japanese official support.

Last year Britain exported £926m worth of goods to Japan and imported £3.79bn worth. The UK had a surplus on invisible trade of £720m, although Japan puts the balance at more than double that.

Tebbit: putting on the pressure on behalf of UK exporters

● Reuter adds from Tokyo: Dutch Prime Minister Mr Ruud Lubbers will meet Prime Minister Nakasone in Tokyo this month to discuss ways to rectify his country's huge trade deficit with Japan, Dutch ambassador Mr Louis Goedhart said yesterday.

The envoy told Japanese journalists that Mr Lubbers would take up not only political issues but also economic problems

He noted that Japan's exports to the Netherlands were worth four times as much as its imports.

The two leaders would also exchange views on the deployment of U.S. intermediate-range nuclear missiles in the Netherlands, Mr Goedhart said.

The Japanese Foreign Ministry announced earlier that Mr Lubbers would visit Japan for five days from April 16.

● Michigan's U.S. senators dismissed Japan's promise to open its markets to U.S. goods as just talk.

Senator Donald Riegle said in a statement that, "for years, Japanese leaders have been able to deflate American anger by gradually giving up a few trade barriers on selected products."

Nissan remains leading car exporter

By Kenneth Gooding, Motor Industry Correspondent

NISSAN claims today that it maintained its leading position among Japanese car companies in Western Europe. However, the statistics spotlight just how important the UK market is.

Nissan says its car sales in Western Europe last year totalled 283,000, down from 289,000 in 1983 but still enough to maintain its lead over Toyota with 226,000 (234,000 in 1983) and Mazda with 199,000 (211,000).

However, no less than 37.6 per cent of Nissan's European registrations last year were made in the UK: 106,360, in line with the 36 per cent (104,684) in 1983.

In comparison, only 14 per cent of Toyota's car sales were made in the UK or 32,702 in 1984 and 31,683 the previous year.

The UK market's contribution to Mazda's European performance is even lower. UK sales of 17,505 last year and 17,638 in 1938 accounted for between 8 and 9 per cent of the European total.

Nissan exported its first car to Europe in 1962 and it now has 21 distributors in 19 countries with about 3,000 dealers.

Since 1973, when independent importers in the UK—headed by a German, Mr Octav Botnar—began to make their presence felt, Nissan has led the other Japanese car companies in Europe and since then has doubled sales from 143,000.

According to the company's own statistics covering the 16 major Western European markets, Nissan had 2.93 per cent of European car registrations totalling 9.655m last year compared with 2.91 per cent of the 9.928m in 1983.

Toyota's European market share was about 2.35 per cent in both years while Mazda's was just over 2 per cent.

There are now more than Im Nissan (formerly Datsun) cars on UK roads alone in Europe and this summer the company will bring on stream its new European parts centre in Amsterdam.

Louise Kehoe on barriers to U.S. exports of semiconductors to Japan

Short-lived success for chip sales

THIS WEEK'S call by Prime Minister Mr Yasuhiro Nakasone for a liberalisation of trade policies offered little comfort to U.S. semiconductor manufacturers facing increasing pressure from Japanese competition in their home market and apparent intransigence in the Japanese attitude to buying U.S.-made chips.

"The tone of his statement would suggest that there is no longer a trade problem with regard to semiconductor devices. In fact the opposite is true." commented Mr Daryl Hatano, government affairs manager of the U.S.-based Semiconductor Industry Association, which represents all major U.S. chip maker.

Although Japan has taken several steps to open its markets to U.S. chip suppliers, including the recent bilateral elimination of import tariffs on semiconductor devices, U.S. semiconductor companies continue to meet informal barriers that have prevented an increase in sales to Japan, according to two reports published by the SIA this week.

According to the SIA, U.S.-based chip makers sold $900m (£750m) worth of products to Japan last year, while Japanese manufacturers sold $1.7bn worth of chips in the U.S. The Japanese share of the U.S. market is predicted to increase from 14 to 18 per cent by 1987, while U.S. manufacturers do not expect to progress above their present 11 per cent of the Japanese market.

The U.S. share of the Japanese semiconductor market has remained flat at about 11 per cent over the past decade, despite a reversal of Japanese Government protectionist policies and the gradual reduction of import tariffs, the report points out.

"U.S. semiconductor companies compete with Japanese firms all over the world, and except in Japan, outperform them by a wide margin," says the SIA in its report titled: "The Impact of Japanese Market Barriers in Microelectronics."

The study concludes that if U.S.-based companies had been able to attain the same market share in Japan as they hold in neutral markets, U.S. sales in 1984 would have been $3.3bn higher, representing 27,000 jobs and increasing U.S. exports by $1.5bn-$2.2bn.

"The U.S. semiconductor companies have made a major long-term commitment—entailing a substantial, sustained effort over a period of two decades—to expand their presence in Japan. As a result of this effort, the U.S. semiconductor industry has learned a great deal not only about the nature of the barriers to market access in Japan but about the significance — or lack thereof — of Japan's periodic liberalisation packages, usually undertaken in response to U.S. Government pressure," says the report.

U.S. semiconductor sales increased in Japan in late 1983 and early 1984 following what appeared to be a breakthrough in the market access impass.

"The Ministry of International Trade and Industry began encouraging major Japanese semiconductor consuming companies to increase their purchases of U.S.-made semiconductors. Concurrently, major U.S. semiconductor companies stepped up their sales efforts in Japan," recounts the SIA report. But the U.S. companies success was short lived. By the end of 1984, U.S. semiconductor sales in Japan had fallen below those of a year earlier.

"Some reaffirmation of Japanese Government policy by Mr Nakasone to encourage Japanese companies to buy U.S. semiconductor products would have been useful. The lack of any mention of the growing trade deficit in semiconductors is in itself a signal that the Japanese do not feel the need to take further action," said Mr Hatano.

Attitudes have been hardened by the downturn in the semiconductor market that has led to widespread layoffs and short working hours at U.S. semiconductor companies.

U.S. chip makers increasingly fear that when they finally emerge from the recession they will be unable to compete effectively with the Japanese. With their profits decimated by slow sales, U.S. companies have been forced to cut back on capital expenditures, delaying new plants and expansions. Meanwhile, the Japanese semiconductor industry continues to spend at unprecedented levels.

"The importance for the U.S. industry of obtaining a greater position in the Japanese market is increased because of the critical period for the U.S. industry that lies ahead. Over the next two years . . . capacity in the world semiconductor industry is projected to grow more rapidly than is projected demand. Despite this pressure, the Japanese semiconductor industry is continuing to add capacity at a rate which suggests that they believe they can dominate the world industry by the late 1980s," says the SIA in its second report: titled Global Productivity, Public Policy Issues for 1985.

The U.S. semiconductor industry has bitter experience of the effects of a recession upon its competitive strength. In each of the last two industry recessions U.S. manufacturers have lost market share that has never been recovered. It seems inevitable that the pattern is about to be repeated with dramatic consquences for U.S. chip makers. Already, it is clear that Japanese chip makers are building enough production capacity to address the entire world market for dynamic Rams, leaving little or no room for U.S. or European suppliers.

Community criticises 'modest' Japanese measures

BY PAUL CHEESERIGHT IN BRUSSELS

THE European Community yesterday rounded on the Japanese Government with the accusation that its latest package of market-opening measures is "modest in scope with an uncertain effect."

Mr Willy de Clercq, the commissioner in charge of external relations, said the Commission is waiting for concrete action on a larger scale from the Japanese Government.

This reaction to Mr Yasuhiro Nakasone's announcement of Tuesday to the effect that the Japanese Government will have a three-year action programme to promote imports, starting in September after definition of the measures in July, was wholly predictable.

It was similar in tenor to previous comments on Japanese import packages: such are never big enough. It also reflects increasing irritation in Brussels at the low propensity of Japan to buy imported goods.

For this reason, Mr de Clercq welcomed Mr Nakasone's new appeal to the Japanese people for a more receptive attitude towards imported products.

But the Commission is now seeking to add a touch of menace to its repeated calls for Japan to redress its widening trade balance with the EEC.

Making a speech in Paris, yesterday, Mr de Clercq said that failing a significant movement by Japan to take concrete measures to raise the level of its imports, "the Community ought completely to re-examine its attitude towards Japan."

Tokyo cautious over market-opening package

SOME Japanese businessmen responded yesterday to the country's latest market-opening recommendations with anger or resignation, while others expressed reservations about whether the new measures would go far enough, AP reports from Tokyo

Mr Yoshihiro Inayama, chairman of the Federation of Economic Organisations (Keidanren), cautioned that Japan would have to take more drastic steps to stop foreign criticism from flaring again in the next several months

He was quoted as saying: "The problem is not only the damage sustained by certain industries by torrential exporting but the existence of a swelling imbalance in international trade. Despite this, the measures taken this time say only that all will be well if Japan buys more in four fields, telecommunications, electronics, forestry products and medical supplies."

Local reports said that Mr Noboru Goto, president of Japan's Chamber of Commerce and Industry, suggested that a foreign exchange control law be enacted to strengthen the yen against the dollar, but also called for general co-operation because: "Considering feelings against Japan, it is necessary for every sector to fully open its markets."

But Mr Akio Fujinaka, president of the Japan Plywood Manufacturers' Association, was quoted as saying pledges in the package to eventually lower tariffs on imported plywood would deal an "immeasurable blow" to the industry.

Tenders invited for Thai project

By Boonsong K'Thana in Bangkok

TWENTY FOUR international consortia have been qualified to participate in the tender for the National petrochemical Corporation's $350m (£291m) upstream petrochemical project in Thailand's eastern seaboard province of Rayong.

They will be officially invited on April 29 to take part in the tender which will be divided into three separate contracts—construction of the Lefins plant; storage and offsite facilities and general civil facilities.

The six vying for the first contract are the group led by U.S.-based M. W. Kellogg and involving Japanese and Spanish companies, a consortia headed by Japan's Chiyoda Chemical Engineering (with French and Spanish partners), a group led by Japan's JGC corporation with a Japanese and U.S. partner, a group led by Linde AG of West Germany and involving Japanese companies; a Toyo Engineering consortium of Japan involving a Japanese and a U.S. company; and a group headed by Mitsui Engineering with Japanese and U.S. participation.

Among those vying for the second contract are the group led by Spain's Technicas Reunidas-Centunion and an Austrian partner, the Japanese group of Ishikawajima-Hariwa Heavy Industries; a group led by Nippon Kokan; the Blount International U.S. consortium, and the group led by Drovo Engineering of the U.S.

Among those qualified to bid for the third contract are the group of United Constructor and Intacon of Thailand; the group of Dyckerhoff and Widmann AG of West Germany and Thailand's Delta Engineering and Construction, the group of Thailand's Sino Thai Engineering and Construction and Metric company, Vishimatsu Construction of Japan and the Thai Nishimatsu Construction Company.

Dr Sippanondha Ketudat, president of NPC, a joint public-private concern, said yesterday short-listed firms will be given approximately three and a half months to prepare bidding proposals. Awarding is expected later this year.

The Olefins plant, the upstream project of Thailand's $830m petrochemical complex, will annually produce 315,000 tons of ethylene and 105,000 tons of propylene, using natural gas from the Gulf of Thailand as feedstock.

"During the build process, the car passes through 44 major checks before it is finally passed for sale.

This calls for eye and experience, and painstaking attention to detail.

Not unnaturally, it takes time, but it's the best way there is to ensure quality, which in turn ensures success.

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A Jaguar must be able to undertake the hottest, coldest, fastest, roughest tests that can be devised by man for machine and overcome them.

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Then, and only then, are we prepared to call a Jaguar a Jaguar."

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TECHNOLOGY

EDITED BY ALAN CANE

FINANCIAL SUCCESS AT LAST FOR PIONEE R IN DRUG DELIVERY SYSTEMS

Patched patients get the right dose—all the time

BY ANDREW BAXTER

FEW COMPANIES in the drug industry can have a clearer idea of the difficulties of turning a technological breakthrough into a money-spinner than California-based Alza, which claims to be a leader in drug delivery systems.

Founded in 1969, Alza's hopes have been based on the belief that there must be better ways to take medicine than swallowing a conventional tablet: Alza's argument is that taking too many pills adds to the risk of side-effects from over-medication, while taking too few reduces the effectiveness of the drug through under-medication.

To solve the problem, Alza has developed a range of therapeutic systems designed to provide controlled drug release, the aim of which is to provide the patient with the correct dosage around the clock.

Armed with a battery of patented devices which allow drugs to be taken through the skin—via a patch which may only need to be replaced weekly—or orally, Alza believes it has a head start in a technology with benefits to patients and doctors.

An independent observer of Alza's progress, Merrill Lynch analyst Mr David Paisley, views the company's claims to world leadership as "fair comment."

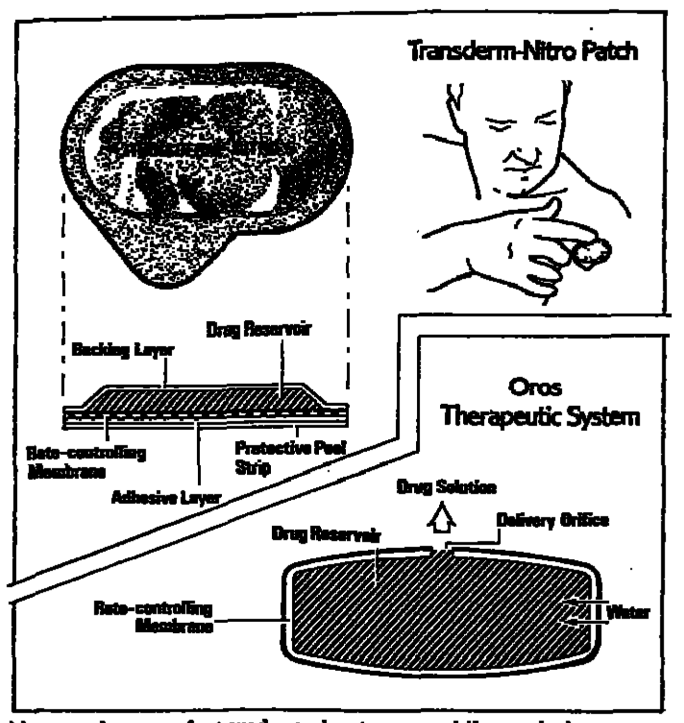
Despite its prowess, the company has only very recently seen any return in the form of profits from an investment of close to $150m. The heavy costs of developing its products brought financial difficulties by the mid-1970s, and the company was taken over by Ciba-Geigy, the Swiss drugs giant.

From 1977-1982, Alza worked only with Ciba-Geigy, then regained its independence after realising there was a wider market for its products. Ciba-Geigy retains a small non-voting interest.

Now through a combination of joint development programmes with major U.S. and foreign drug companies—in which Alza develops the technology for controlled release of the other party's drugs—and research partnerships to fund the combination of Alza's technology with various generic drugs. Alza has reached a crucial stage in its development.

Mr Martin Gerstel, president, said in London recently that 1986, when many of its 30 current projects should come on stream, would be the key year for Alza's emergence as a production company. He states quite candidly that time is short: by the early 1990s, he says, the drug majors who are now Alza's customers will be well on the way to launching their own drug-delivery systems.

Alza's net profits so far, $1.3m in 1983 and $6m last year, owe a great deal to just one product, Transderm-Nitro, developed by



Alza and manufactured and marketed by Ciba-Geigy for the relief of angina pain.

The drug itself, nitroglycerin, is contained in a thin multilayer patch about 1½ in by 1 in, and passes through a polymer rate-controlling membrane to reach the skin. Transdermal drugs flow directly into the bloodstream, while oral drugs pass through the gastro-intestinal tract and liver, where some of their effectiveness can be lost.

Alza claims its rate-controlling membrane keeps its products significantly smaller, and hence more convenient, than other nitroglycerin patches. The membrane also overcomes the disadvantages of ointments, an older method of transdermal treatment, which apart from being messy can result in patients with very porous skin absorbing too much drug.

More than 200m patches have been sold since Transderm-Nitro was introduced in 1982, making it the largest selling transdermal product worldwide. Mr Gerstel readily admits there are many other nitroglycerin patches available, but says that only Alza's membrane technology can offer a whole family of transdermal products adapted to other drugs.

Alza's Transderm Scop, again marketed by Ciba-Geigy, is a patch about the size of a 1p piece containing scopolamine to control motion sickness. Alza says controlled release of the drug through the patch significantly reduces side-effects associated with scopolamine when administered in tablet or injection form. These can take the form of visual disturbances and temporary loss of memory.

Mr Gerstel is also enthusiastic about the prospects for Catapres-TTS, jointly developed by Alza and Boehringer Ingelheim of West Germany. Containing the drug clonidine, the patch will give a week's relief from high blood pressure and will be available in different sizes when it is introduced later this year in the U.S. Alza reports clinical studies which show that patients prefer the once-a-week approach to once or thrice-daily oral doses, while side-effects are also reduced.

As the company continues to develop its transdermal technology, it is now looking at a wider choice of adhesives for the layers of each patch, the use of "flux enhancers," and the ability to have either solid or fluid drug reservoirs. "Electronically-assisted transport" is being evaluated as a means for enabling some drugs to cross the skin barrier, the latest annual report reveals.

Alza's oral drug delivery system, OROS, works somewhat differently. A solid drug is coated with a polymer membrane, through which water from the intestinal tract passes by osmosis at a controlled rate, dissolving the drug. The solution flows out of a laser-drilled hole in the membrane at the same rate.

This principle is used for Acutrim, an appetite suppressant manufactured and marketed by Ciba-Geigy. This delivers the standard appetite suppressant phenlypropanolamine at an almost uniform rate for 16 hours.

The OROS technique was also used for Osmosin, a product developed jointly by Alza and Merck. This used Merck's anti-arthritis drug indomethacin, and the slow-release technique was intended to produce fewer side effects for patients.

After a successful launch period the drug was withdrawn from the UK, West Germany and five other countries in September 1983, following reports of deaths associated with its use and, ironically, gastro-intestinal side-effects.

Following the withdrawal, a series of clinical and epidemiological studies was made, but Merck says it became apparent that the definitive study needed to provide a conclusive answer on possible gastro-intestinal side-effects would not be practicable economically.

Mr Gerstel says Alza and Merck are now "trying to figure out what the next step should be." Mr Paisley of Merrill Lynch believes the episode was quite unfortunate for Alza, and precipitated by incorrect prescribing of the drug.

Despite this setback, Alza has continued to plough money into OROS research, and now believes it can be developed for virtually any effective orally-administered drug.

This adaptability, in both the OROS and transdermal technologies, convinces Mr Paisley that Alza is "a small company that's going to grow into a large one," protected by its enormous number of patents. He believes doctors will not mind paying more for a product that gives a steady dosage and cuts down on the number of doses required.

Memories

Low cost optical disk

NIPPON ELECTRIC of Japan claimed last week that it had developed a method of manufacturing optical memory disks using an organic dye in a process which could cut the costs of production to one tenth the conventional cost.

Mr Akio Morinoto, an NEC researcher, said that the new disk, which was developed jointly with Mr Kensike Matsuoka, an assistant professor at Osaka City University, has a thin layer of organic dye rather than the sophisticated metal used in optical disks today.

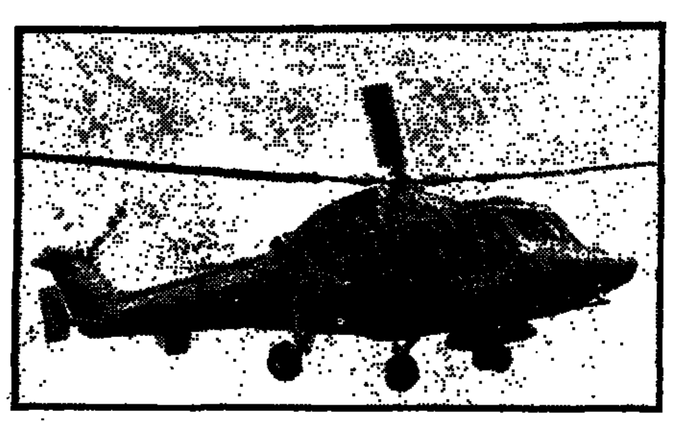
NEC intends to produce a 5 in disk next year for use in filing office documents and graphics.

They will cost less than Y2,500 each to manufacture, compared to the present price of Y25,000 to make a conventional disk. They will be able to store a total of 500m alphanumeric characters on both sides.

KNOWLEDGE BASED SYSTEMS

Alvey 'demonstrators' get under way

BY GEOFFREY CHARLISH



Westlands' Lynx 3: interpreting rotor vibration requires experience.

FIVE MAJOR UK electronics companies are to take part in Alvey Directorate "demonstrator" projects aimed at basic research into intelligent knowledge - based systems (IKBS). Government funding amounts to about £3m and a similar amount will be spent by the companies over the next 3½ years.

The Alvey Programme, centred on the Department of Trade and Industry, will provide some £350m in the 1982-87 period and is intended to counter overseas competition in advanced computing techniques. In "demonstrator" projects, a handful of companies are asked to collaborate to a specific end, sharing results and ending up with useable techniques and data.

There are two IKBS projects. One, involving Rediffusion Simulation, Smiths Industries Aerospace and Defence Systems and Solartron Simulation, will cover artificial intelligence techniques in flight simulation, advanced avionics systems and computer-based tactical trainers.

The other project is concerned with the monitoring of machines in order to assess their "health" and involves Ricardo Consulting Engineers, Solartron Instruments and Westland.

Present monitoring systems for engines and gearboxes for example, produce large amounts of data which are analysed using human skill, experience and judgment to arrive at conclusions about condition.

In an ordinary car for example, a mechanic who is thoroughly used to a particular engine can listen to it and make a useful diagnosis. He is doing a great deal more than merely listening to the sounds—he knows from experience what they mean. The specific object of IKBS is to try to encapsulate such skill and judgment in a computer. Then, it might be possible in future vehicles to tell pilot or driver if a hazardous situation is developing.

With helicopter engines and gearboxes the same techniques, with more instrumentation and complication can be applied, but the task becomes more difficult, with rotational speeds from 200 to 20,000 rpm.

The objective of the three companies will be to draw together the large amounts of measured data and the human experience into an expert system that can control its own data analysis. "Health" monitoring should, therefore, become more automatic, comprehensive and reliable—and there will be an additional useful input to both design and operation of engines and boxes.

The three companies have complementary activities. Westland is a leader in helicopter gearboxes, Ricardo is a prominent engine consultancy and Solartron Instruments specialises in dynamic analysis equipment.

Solartron Instruments will supervise the project and the IKBS work will be led by Dr Harry Barrow of the Fairchild Laboratory for Artificial Intelligence Research, a sister company of Solartron in the Schlumberger Group.

The three companies already have ideas about the way the work will proceed. Westland, for example, conducts routine vibration analyses on rotors, the signals being processed to give a single numerical measure. But although the engineers know that a low figure means "healthy" and a high one a fault, interpretation in between needs human judgment and experience—and it is this they will try to model in the early stages.

Solartron already provides advice to its instrument users in the difficult area of vibration analysis. In the Alvey work it will try to incorporate such intelligence into the instrument itself.

Work will start with chosen applications. Later, generalised systems will be attempted. They will involve higher risk, but will provide greater opportunities for the UK.

The other grouping of companies will be mainly concerned with the military "real-time" problems of men in action and their training in simulators.

The programme will concentrate on advancing real-time intelligent interpretation of the large amounts of data a pilot, for example, has to deal with in a fighter aircraft, or in a simulator. From an understanding of his potential problems, an attempt will be made to assess ongoing situations and predict the outcome.

Specifically the objective is to develop software that will interpret information as the man would have interpreted it—an urgent need in battle environments where the workload is high and the conditions very stressful.

All three companies have identified needs in this area. Smiths for example, knows that pilots can be presented with more information than they can assimilate and act on in the time available. The Smiths team will look at IKBS systems that will sift the data and select relevant aspects for display and make priority judgments for the pilot. Where feasible, the system might even execute the necessary actions.

The situation in a flight simulator is similar, but in this case the IKBS will try to predict the responses of pilots for the benefit of the instructor, allowing lessons to be usefully modified.

In 1983, this country made a profit of £430 million from our aviation industry.

And last year, the tourists who were flown into Britain spent over £4·25 billion in our hotels, theatres, pubs and shops.

This business continues to grow at a rapid pace, bringing even more money into the country and providing more jobs.

So much so, that forecasts indicate that in future years London's airports will find themselves unable to cope.

The airlines would have to look to Holland, France and Germany to deposit their passengers, their freight and their money.

The report of the Airports Inquiries 1981-1983 was recently published.

It concluded that the London airport system (of Heathrow, Gatwick, Luton and Stansted) can remain at the centre of the world's airline industry only if it expands.

The report forecast that by the next decade the demand can only be met by an increased capacity in the south-east, which means expanding Stansted Airport and building a fifth terminal at Heathrow.

Every effort should be made to develop the regional airports, but their expansion alone could not meet the future demands of the south-east.

Unless the above recommendations of the Inquiries are acted upon swiftly, the aviation industry will suffer.

Which will mean the country loses revenue and loses jobs.

We wish to see a civil aviation industry that has the freedom to grow to its full potential.

Not one that has had its wings clipped.

AIR UK · BRITISH AIRPORTS AUTHORITY · BRITISH AIRWAYS · BRITISH CALEDONIAN AIRWAYS · BRITISH MIDLAND AIRWAYS · DAN AIR

Export agency fraud claims investigated

BY CHRISTIAN TYLER, TRADE EDITOR

ATTEMPTS to defraud the Government's export insurance agency of millions of pounds are being investigated by the police, it was confirmed yesterday.

The Fraud Squad was called in by the Export Credits Guarantee Department (ECGD) several months ago when it was suspected that claims were being made on non-existent sales abroad.

An ECGD official said the amount involved was "substantially less" than £100m, but would not say whether the sums amounted to a few million or more.

Reports of a systematic fraud or attempted fraud on the department first surfaced two months ago when it was rumoured that some contracts with agencies in Nigeria and other Third World countries were found to be invalid.

A number of City of London institutions were said to have been left holding forged import documents claiming payment on letters of credit for shipments that never took place.

The ECGD has become involved because it acts as insurer for banks and exporters that have extended credit to buyers of goods. It is not clear whether the department has actually paid out on any of the suspicious claims, which appear to involve a range of different facilities.

As the police confirmed that they were investigating the department's affairs, Mr Bryan Gould, the Labour Party's trade spokesman, demanded a Department of Trade and Industry inquiry into the allegations.

He said the Opposition wanted to know why the alleged frauds were detected so late in the day, but asked for ministerial assurances that the investigation would not be used as a *pretext* for cutting the ECGD's resources.

The allegations come at a particularly bad time for the department, which recently declared its first trading loss and which is being compelled to borrow about £400m from the Exchequer.

Businessmen criticised over language skills

BY OUR TRADE EDITOR

TOO MANY top businessmen still regard training in foreign languages as unnecessary, according to the authors of a study published yesterday.

Professor David Liston, co-author of the Government-supported review, said that research at every level had shown that it was "dangerously wrong" to believe that the English language was Britain's greatest trading asset.

The study concludes that there is still a large gap in British exporters' armoury despite a big increase in the numbers and types of practical language courses for businessmen. It singles out the paucity of training in the language and culture of important future markets, such as China and Japan.

Business Studies, Languages and Overseas Trade; the Institute of Export and Macdonald and Evans, Estover Road, Plymouth PL6 7PZ; £15, plus £1.50 postage and packing.

Curb put on travel 'perks' by Revenue

By Arthur Sandles

THE INLAND REVENUE is tightening up on travel "perks" – the giving of prizes to people who make frequent use of hotels, airlines and car rental organisations.

British Rail has agreed to pay "a substantial sum" to the Revenue after refusing to name its frequent travellers who had received prizes. It has undertaken to disclose names in future – but has withdrawn that part of its awards scheme which has caused problems.

Loyalty schemes are also common in the U.S., where the Internal Revenue Service is looking at ways they might be curbed. In the UK, the tax laws give the Revenue firm powers to demand tax on benefits received.

Standard schemes offer free weekends for two for business customers who spend a lot of time with one hotel group, free flights for frequent air travellers and free goods, such as travel bags, to car rental users.

Despite rumours that a special unit at the Inland Revenue is looking at the schemes, the Revenue denies that there is any particular increase in pressure. "This is not a crackdown. The rules have been there for some time," it says.

British Rail's Travel Key scheme, however, has been investigated. Under the scheme, passengers who spent £1,400 on rail travel for their company were given a free weekend for two in Paris or Amsterdam.

The Revenue position is that individuals should be taxed on any benefit they receive as a consequence of their employment. But, says the Revenue, "we do not want to bother ourselves with trivia."

Barry Riley discusses criticism of a new City board with its head

Bias denied in watchdog make-up

MR MARK Weinberg this week hit back at critics of the composition of the Marketing of Investments Board Organising Committee (MIBOC) of which he was appointed chairman last month by Mr Norman Tebbit, Secretary of State for the Department of Trade and Industry.

In an interview with the Financial Times he denied that the committee was biased towards the direct-selling life offices rather than those dealing through independent intermediaries. But he conceded that there might be a case for reconsidering the position of the building societies, which have complained at being left out of the MIBOC.

However, Mr Weinberg pointed out that the MIBOC was not in such an influential position that it could ignore the views of important elements of the financial services industry. There was a need for the "widest possible consultation."

In nine months or a year the MIBOC would need to go to Mr Tebbit with a set of rules and practices and seek authorisation as the self-regulatory body to which the minister's responsibilities should be delegated.

If it ignored the interests of an important sector such as the building societies there would be "an enormous political and public-relations fight." In those circumstances, the MIBOC would be putting itself in "a very weak position to expect to get authorisation."

He continued: "That is why we have got a strong incentive to make sure we are carrying with us a very broad section of the people who are going to be affected."

Although Mr Weinberg is closely identified with one of the leading direct selling offices, Hambro Life, which he founded in the early 1970s, he denied that he would be in a position to exert a dominating influence over other committee members in favour of tied agents.

"At best I shall be *primus inter pares*," he said. "I am simply one of them. I won't be in a position to make the decisions."

Mr Weinberg considered that more attention should be paid to the broader concepts of consumer protection and minimisation of conflicts of interest contained in the Government's recent policy document on investor protection.

"I think there has been within the insurance industry perhaps a little bit too much reading of only those chapters of the White Paper (policy document) which have to do with the insurance industry," he said.

Independent insurance brokers are concerned because the document proposes that they should make extensive disclosures of commissions and other incentives to clients – disclosures that will not be required of salesmen under contract to individual life offices.

Indeed, the document has been described by leading brokers as a "tied agents' charter."

But Mr Weinberg pointed out that an important principle of the document was equivalence of treatment. "The broad rules of investor protection and avoidance of conflicts of interest should be equivalent whether the investor goes for direct investment through the stock exchange or for some form of pooled investment," he said.

The independent intermediary was the equivalent of the agency stockbroker and would have to submit to the same kind of controls over disclosure of commissions and conflicts of interest, Mr Weinberg added.

In fact many people within the life assurance industry would have preferred either a commissions agreement or government control of commissions if they could not get agreement, he suggested. But the Government for political reasons had ruled out what it regarded as price control.

As for tied agents, there were two quite different safeguards for the public. The agent should be unequivocally required to declare himself to be a tied agent, and could therefore not be expected to give dispassionate advice; secondly, the company to which he was tied must take legal responsibility for the advice he gave.

Mr Weinberg described the second condition as "quite a severe requirement."

He admitted, however, that there would be difficulties in dealing with the tied agent who, on occasion, sold the policies of another life office. "That is still a grey area which has got to be argued out," he said.

In the past, every minority had had an effective veto. But in future, if small pockets were unreasonable, they would "bring themselves down with the rest of the industry because we would be left with statutory regulation which I think would be highly restrictive."

Mr Weinberg described his task as "a tremendous challenge. It is going to be an enormous amount of work."

He concluded, however: "I think we have got a very strong incentive now for coming to reasonable rules which are fair to the practitioner and yet at the same time protect the interests of the public."

BP to close refinery with loss of 750 jobs

BY DOMINIC LAWSON

BRITAIN'S oil refining industry is to suffer a further big contraction after British Petroleum's announcement yesterday that it will close down its crude oil refining operations at Llandarcy, near Swansea, in South Wales.

The closure will involve the loss of about 750 jobs out of the total workforce of 1,100. The remaining employees are attached to the lubricants operations at Llandarcy, which are to remain.

Although BP said yesterday that the reason for the closure of the main fuels operation was the decline in refinery profitability because of overcapacity in the industry, the Llandarcy refinery is processing at full capacity of 5.5m tonnes of crude oil a year.

The refinery, however, is very old, having been officially opened in 1922. BP has chiefly used Llandarcy to refine North Sea oil and its onshore oil production from Dorset and the East Midlands.

BP has decided that it can most economically meet the needs of customers for refined products from Llandarcy by an arrangement to process smaller volumes of its own oil at Texaco's much more modern Pembroke refinery.

When Llandarcy ceases to refine crude oil by the end of the year, BP will have shut three of its four UK refineries, involving a reduction in its capacity from 26m tonnes of oil a day to only 8.5m tonnes.

A month ago, Shell said it would cut 1,000 jobs at the largest of its two remaining UK refineries. Six months ago, it announced the closure of its Teesport refinery,

West European refining capacity has been cut by 25 per cent since 1977, but utilisation rates are still below 70 per cent.

Union officials said that the Llandarcy closure had come as a complete surprise. Mr Ian Walker, the chief executive of BP Oil, said yesterday that no conceivable investment at Llandarcy would enable it to match the yields of the most modern refineries.

The savings to BP from the restructuring will be about £15m a year, against closure costs of £35m.

Miners to be offered radical pay package

LEADERS OF the National Union of Mineworkers (NUM) are likely to be offered a radical, long-term pay package today in the union's first wage negotiations with the National Coal Board (NCB) for 18 months.

The talks will be the first meeting between the two sides since negotiations to end the year-long pit strike collapsed last October.

The offer will comprise the outstanding 5.2 per cent pay increase for the 12 months from November 1983, and an increase for last year. The other unions in the industry have already accepted deals of 5.2 per cent again for the 12 months from November 1984, suggesting that the NCB would be unlikely to offer the NUM less.

□ **THE GOVERNMENT** claims that £9.4m a year has been saved by the health service since the introduction of competitive tendering for domestic, catering and laundry services.

Mr John Patten, Parliamentary Secretary for Health, said that £8.2m had been saved on 48 contracts awarded to private companies, and £1.2m on 24 contracts awarded to existing staff.

The figures were disputed by Mr Bob Jones, a national official of the National Union of Public Employees.

□ **ATTEMPTS** by Civil Service unions to mount an escalating campaign of industrial action over a 4.5 per cent pay offer collapsed last night when members of the largest union voted narrowly against holding a one-day strike.

□ **MR NORMAN TEBBIT**, Trade and Industry Secretary, has been strongly urged to refer European Ferries' £12.5m purchase of the P&O Ferries cross-English Channel operation to the Monopolies and Mergers Commission by Mr Peter Guilor, who is heading a management buy-out attempt.

Private groups may manage naval dockyards

BY LYNTON MCLAIN

THE GOVERNMENT is to publish a Green Paper (discussion document) within two weeks with its preferred method for privatising the Royal Dockyards at Devonport, near Plymouth, and Rosyth, in south-east Scotland. The option widely expected to be adopted is for the management of the yards to be handed over to private contractors.

That would leave the Government as the dockyards' owner without the difficulty of persuading unions to accept change and possible job losses aimed at making the dockyards more commercially viable.

Dockyard workers are concerned about job security as the Royal Navy and repair work continues to diminish. The unions are to be consulted when parliament has been told of the proposed changes. That might be next week, after the Easter recess.

The decision, if accepted by the unions, would mark a personal victory for Mr Peter Levene, the new £95,000-a-year chief of defence procurement, over the heads of senior civil servants.

Mr Levene, the former chairman and chief executive of United Scientific Holdings, a defence contractor, first suggested the idea of contracting-out the management of the yards when he was an unpaid adviser to Mr Michael Heseltine, the Defence Secretary.

Mr Levene favours the Government-owned, contractor-operated approach for other defence equipment industries. That might include the Royal Ordnance Factories, which the Government intends to privatise next year.

"No final decision has been made on any proposal for the future of the Royal Dockyards," the Ministry of Defence said yesterday. A "full period of consultation" would have to take place before any decisions are made, the ministry added.

The Government has already applied its private-sector management to one former Royal Dockyard, H M Dockyard Gibraltar. The Gibraltar dockyard ceased to be owned or operated by the Ministry of Defence on December 31 1984.

Trafalgar House, the UK conglomerate, has expressed an interest in becoming involved with the Royal Dockyards at Devonport and Rosyth.

Pilot cable television project meets 'disappointing' response

BY RAYMOND SNODDY

SWINDON CABLE, the first of the 11 pilot cable television projects to launch programmes on new multi-channel cables, has had a "disappointing" response from consumers.

In the eight months since services were launched on newly laid "broad band" cable, only about 300 subscribers have signed up.

The new 16-channel system being built in the Freshbrook and Toothill areas in the west of Swindon is available to 2,600 homes.

That gives a subscription rate for the first small area to be cabled of 11.5 per cent – far below financial *viability.*

Mr Peter Gosling, managing director of Thorn EMI Cable Television, which owns Swindon Cable commented: "I think we are fairly obviously disappointed at where we have got to so far."

If the present rate of subscribing does not improve "we do not have a business," Mr Gosling said.

Swindon Cable hoped to be able to reach a "penetration rate" of 30 per cent by the end of the first year. That figure is being scaled down although the company believes that *25 per cent might still be possible* after a "spring campaign."

Thorn EMI has invested about £2m in setting up the Swindon operation and costs are running at around £1m a year.

As the first of the new cable schemes to start operating Swindon has attracted much attention. Many people were hoping that it would provide evidence of real consumer demand for cable television to help to change the sceptical view of cable television among London investment houses.

Mr Sebastian Crawshaw, chief executive of Swindon Cable, believes that it will take longer than expected to win acceptance.

"We believe we are trying to sell a new product into a mature market against extremely effective competition (from BBC and ITV)," Mr Crawshaw said.

His hope is that the company can create sufficient interest in Swindon that the take-up rate will start to rise dramatically as other new products, such as video recorders, have done.

Mr Gosling hopes that more channels and the beginning of two-way channels, such as home banking and shopping, using a specially developed Thorn EMI switch, will stimulate greater interest.

Mr Gosling, who is also chairman of the Cable Television Association, has written to Mr Geoffrey Pattie, *Information Technology Minister* at the Department of Trade and Industry, asking for financial help to set up the interactive service within the next 12 months.

The Swindon cable executives have, however, been surprised at how price-sensitive the basic service has proved to be. The company has been charging £8 a month for *the standard* service – essentially four new national channels. A film channel costs an extra £7 a month.

The price of the standard package is being reduced to £5.95 a month although the film channel will increase by £1 a month.

Swindon Cable is still experimenting to find the best way of marketing cable. In a bid to increase the penetration level, a new sales manager has recently been appointed, the £20 connection fee will be dropped and a two-week free trial has been introduced.

"We think we can do it. But we need to demonstrate that we can, within the next year, both to the rest of the industry and to our corporate centre justify further funding", Mr Crawshaw said.

The situation in Swindon is made more complicated because about 10,000 homes are connected to an existing cable system offering 10 channels including the four main broadcast channels plus "out-of-area" ITV signals.

● Croydon Cable, a pilot cable television project, will begin construction of its network in June.

About 50 households will be provided with test transmissions during the month of June and the formal launch will take place in July.

Phillips & Drew to buy Moulsdale stake

BY JOHN MOORE, CITY CORRESPONDENT

PHILLIPS & DREW, one of the leading London stockbrokers, is acquiring a 5 per cent stake in Moulsdale, a seven-partner firm of marketmakers in British government securities. The move is designed to provide Phillips & Drew with a market-making arm for its participation in the restructured British government securities market.

Phillips & Drew intends to increase its stake to 100 per cent as soon as London Stock Exchange rules on ownership are relaxed. Union Bank of Switzerland, the biggest Swiss bank, has acquired a 29.9 per cent stake in Phillips & Drew and intends to increase its stake to 100 per cent once stock exchange rules are relaxed.

Mr Bryce Cottrell, senior partner of Phillips & Drew, said yesterday that his firm wished "to be a primary dealer in the new gilt-edged market. We need the experience of market-making. The link with Moulsdale will give us actual market-making experience." Both sides declined to disclose the price paid for the merger.

Moulsdale, which has a staff of 32, is one of the smaller stockjobbing firms. It deals with brokers throughout the UK from its base in Liverpool. It is planning to open a pitch in the London Stock Exchange in June to make markets. Moulsdale will continue to operate a full dealing service from Liverpool with a resident partner.

Until the stock exchange allows its members to trade as both agents and principals, a move scheduled for next year, Moulsdale and Phillips & Drew will operate independently from separate premises.

Mr Cottrell said that Moulsdale would form a big part of Phillips & Drew's primary dealing operation

Malt whisky sales rise

BY LISA WOOD

THE MARKET for single malt whiskies from Scotland continued to grow last year, with exports up by 25 per cent compared with 1983, the Scotch Whisky Association said yesterday.

Export and home clearances in 1984 were 5.6m litres of pure alcohol, equivalent to 18m bottles. Single malts were shipped to more than 120 countries, with Italy, the U.S. and France as the main markets.

There are more than 100 malt whisky distilleries in Scotland. Most of their production goes into blended Scotch but many retain a proportion for selling as single malts. The international market was pioneered by William Grant & Son, a family-owned business, with its Glenfiddich single malt.

BR asks for high-speed train tenders

By Andrew Fisher

BRITISH RAIL (BR) has asked UK and foreign companies to bid for the construction of a possible 61 high-speed electric trains for routes from London to Scotland at a cost of more than £1m each.

It wants companies to quote for the proposed 140mph electric train, to be known as the Electra. BR will then decide whether to go ahead with the Electra for the planned £306m electrification of the east coast line from London to Edinburgh, or to use an electric version of the present 125mph diesel train.

BR will initially need 31 new trains for the east coast line. It has already received government approval to replace rolling stock on that line.

INTERNATIONAL BANKING

David Lascelles on the strong feelings aroused by an uneasy alliance

Bankers query links with credit cards

TO THE WORLD at large, banks and credit card companies look like close allies, cross-selling, as they do, each others' products, and attacking similar markets. But theirs is an uneasy alliance, as a couple of recent eruptions of a long-simmering row have shown.

Last month, Dr Eckart van Hooven, one of the top executives at Deutsche Bank, Germany's largest, delivered a sharp attack on American Express, saying that banks which dealt with it were like foolish Mercedes salesmen riding in Opels.

More lately, at a gathering of EFMA, the bank marketing organisation in the genteel Swiss lakeside resort of Montreux, several bankers launched into Visa, Master Card and American Express, accusing them of being "Trojan horses" and "the enemy within."

Why do feelings run so high?

Quite simply bankers who once rushed to sell these organisations' cards and travellers cheques now see them becoming powerful competitors. Mr Michael Brocksom, managing director of Thomas Cook Financial Services, the Midland Bank subsidiary and travellers cheque issuer which has been drawn into the controversy, describes it as "creeping credit card disease."

"We believe that many banks risk cutting their own throats by allowing credit card companies to 'muscle in' on their most prized customers — their own account holders," he says, summing up the view held by an increasing number of bankers.

This is all highly ironical, since credit card companies like Visa and MasterCard are owned by the banks which issue the cards. But bankers complain that card organisations are now so huge that they have taken on a life of their own. They lump them together with other suppliers of banking products like American Express, who, they say, are getting uncomfortably close to their own markets, and trying to steal their precious client lists.

American Express, with its large credit card and travellers' cheque business and—now—a growing international network of cash dispensers, is seen as the gravest threat. The fact that the U.S. group includes a stockbroker, Shearson, and an upmarket bank, Trade Development Bank, only adds to its image of a wolf ravening for wealthy clients.

The American Express Gold Card is seen as specially ominous by some bankers. This card is usually issued by banks to their most creditworthy customers and backed by a bank line of credit. This may be a fine service to offer, but it hands Amex a top quality client list on a plate. Bankers have been worried about this, but Amex has promised that it will not use Gold Cardholder lists to tout for other business.

As the card companies move into travellers' cheques, cash dispensers and other financial services under their highly aggressive managements, bankers have also become increasingly nervous of being swamped by their own creatures: of becoming known simply as a "Visa bank" or a "MasterCard bank," hence their insistence on having their own name placed prominently on the credit cards they issue.

Visa, MasterCard and Amex deny that they have predatory intentions, or aim to grab the banks' retail deposits, which is one of the bankers' greatest fears. Mr James Larkin, the president of American Express European Travel Services company, said in response to the battering he received at Montreux: "It is foolish to think that any foreign financial services company is ever going to be able to compete with the thousands of branches that local banks have in Europe or elsewhere."

Visa earned black points with many bankers for making its card available to the pioneering Cash Management Account offered by Merrill Lynch. The large Wall Street retail broking firm occupies the same place in many bankers' minds as American Express: the arch non-bank competitor. But Mr Charles Russell, Visa's president, claims that bankers' worries are based on a "misconception" as to what credit card companies are about. "We only act as agents, never as principals," he says.

MasterCard, under its president Mr Russell Hogg, has tried to appease bankers by stressing that it is an association of bank-owned card companies like Access in the UK and Eurocard on the Continent. So it cannot trample on its owners' best interests.

The dispute is complicated by nationalistic overtones: Europeans resisting the incursions of the U.S. dominated groups, which is what both Visa and MasterCard essentially are. The strength of Dr van Hooven's feelings is also ascribed to some extent to the special circumstances of the German market, where banks feel highly vulnerable to non-bank competition of all kinds.

But both sides also know that they cannot rupture the bonds that link them. Banks need to have products that people will buy, and experience has shown that customers prefer credit cards and travellers' cheques with big names on them. "We've got past the point of thinking that we must have our own name on everything," said a senior European banker at Montreux, who believes many of his colleagues' fears are overdone.

American Express also needs the banks as outlets for its goods and services.

The dispute may rumble on for some time—at least until both sides accept that it may be no more than a symptom of the huge changes that are reshaping the financial services industry worldwide anyway. As dividing lines between banks and other companies offering financial products disappear, their markets are bound to converge as well.

Supervision plan 'threat to investors'

BY OUR FINANCIAL STAFF

UK BANK shareholders' interests appear threatened by the accountancy profession's proposals to improve banking supervision in the wake of the Johnson Matthey Bankers affair, Grieveson Grant, the UK stockbroking firm, says.

Mr Tim Clarke, its banking analyst, singles out two points in the submission by chartered accountants to the committee, chaired by Mr Robin Leigh-Pemberton, Governor of the Bank of England.

One is that the Bank should have the power to change a bank's auditor where incompetence has been found. The auditor, Mr Clarke says, is accountable solely to the shareholders.

The other suggestion is that auditors do not qualify bank accounts as often as they might because of the danger of undermining confidence in the banking system.

● J. Henry Schroder Wagg, the UK merchant bank, has taken steps to strengthen its project finance department by engaging two people from European Banking Company.

Mr George Wadia will head the viability finance team, assisted by Mr David Cockburn.

Company Notices

Contracts & Tenders

JOBS COLUMN

Bonanza for key bankers—and headhunters

BY MICHAEL DIXON

IT IS not only the countless modestly rewarded toilers in the field of industrial management in Britain who have reason to view City of London banking as a green and pleasant land.

Take for instance the heads of state schools facing continued disruption by teachers' unions over the offer of a 4 per cent pay rise. City banking must surely seem like a veritable El Dorado to any school head who happened to look at the accompanying table.

It gives the latest of the twice-yearly indicators of the salaries of London banks' senior staff, which this column draws from the surveys made by the Jonathan Wren recruitment consultancy (170 Bishopsgate, London EC2M 4LX; telephone 01-623 1266).

The figures refer to the six months ended with March just gone, and mostly represent the average of the salaries that people in the various jobs said they were receiving when they applied through Wren for another post. The sole exception is the bond dealer, ranked 11th, where the figure is the average of the salaries offered by banks wanting to recruit that evidently very scarce kind of skill.

There surely cannot be any other sector of work in Britain where a survey would find no fewer than 36 different types of staff—largely if not entirely below director level—with an average salary among them of more than £20,000 a year. What's more, the salary figures take no account of usually generous perks such as mortgages and other loans at heavily subsidised rates of interest.

Ranking	Type of job applicant	Average salary Oct 84-March 85 £
1	Bond issue manager	73,225
2	General manager	49,750
3	Senior leasing manager, big tickets	46,333
4	Foreign exchange/money manager	44,332
5	Bond marketing/sydications executive	44,000
6	Foreign exchange chief dealer	41,328
7	Senior leasing manager, small tickets	41,022
8	Loan manager	40,400
9	Assistant general manager	37,878
10	Branch manager	35,125
11	Bond dealer*	33,822
12	Syndications manager	33,750
13	Project finance manager	32,710
14	Leasing marketing, big tickets	31,424
15	Assistant branch manager	30,000
16	Senior investment manager	28,950
17	Data processing manager	28,700
18	Economist	28,300
19	Adviser on banking procedures, etc.	28,000
20	Financial controller	27,857
21	Bond marketing/distribution assistant	26,678
22	Senior lending officer	26,576
23	Company secretary	26,430
24	Credit department manager	26,272
25	Senior corporate finance executive	25,125
26	Senior FX/deposit dealer	24,485
27	Chief accountant	23,787
28	Operations manager	23,500
29	Organisation and methods manager	23,000
30	Bond administration manager	23,000
31	Systems analyst	22,865
32	Investment fund/portfolio manager	22,500
33	Treasury/cash management consultant	21,640
34	Project finance executive	21,550
35	Leasing marketing, small tickets	21,275
36	Personnel manager	20,830

* Average of salaries offered by employers

But while the table might portray the City Square Mile as a land flowing with milk and honey, another thing which the figures do not show are the increasing pressures which I am told are troubling the managers of the London banks. And one of the worst of the growing problems is reputedly falling most heavily on the people in the lowest paid of the table's 36 categories — personnel managers, especially those responsible for recruiting in the smaller organisations.

Along with the influx from overseas which has brought the number of banks operating in the City to over 500, conditions have become more and more competitive. As a result the employers are faced with a sharpening dilemma.

On the one hand they are realising that a good many of the staff they were able to rely on in the past are simply not up to the demands of the present and future. But at the same time the employers can see that their prospects of success or even survival depend ever more heavily on obtaining and keeping a sufficiency of technically expert and commercially enterprising people.

Although numerous bank personnel chiefs now ruefully acknowledge the industry's failure to invest adequately in training over previous years, the problem is too pressing to be solved by raising the training effort from now on.

"We banks are all competing to get the same sort of people — successful, innovative, ambitious business developers with specialist knowledge and experience. And we need them right away," says one personnel manager who asks for anonymity.

"But the open recruitment market seems to have been pretty well sucked dry of candidates actively seeking new jobs except for the sort of people we have learned we no longer want or can afford. This means that where key staff are concerned, there is less and less use in going to old-style recruitment agencies which do not charge you unless they find you someone suitable. Although they are usually very conscientious, there simply are not enough capable job-seekers around.

"So our only way of filling our needs of key staff is increasingly to retain headhunters to tempt good people away from similar posts in other banks where, presumably, they're well cared for. And there's a growing feeling among people like me that for the most part the headhunters are out for easy pickings. Very few of them generate any sort of feeling of being concerned to give value for money.

"They charge very substantial fees—usually 30 per cent of salary—most of if not all of which they claim irrespective of whether they find the right candidate. They may also charge a retainer on a monthly basis, again irrespective of results. So where do we bank recruiters go for a fair deal?"

The Jobs Column, alas, doesn't know. But any recruitment consultant who is able to come up with an answer would seem to have a promising market awaiting in the City Square Mile.

Analyst

RECRUITER David Fairweather of the CERU consultancy seeks someone with experience in stockbroking as an electrical analyst for the City-based research unit of a small specialist stockbroker. Salary plus bonus in the £30,000-£40,000 range. Inquiries to 18 Regency Lodge, Adelaide Road, London NW3 5EE. Tel.: 01-722 4486.

THE PLESSEY CO. PLC

Ilford, Essex

The Plessey Co. Plc, with a turnover in excess of £1 bn is among the world leaders in telecommunications, defence electronic systems and component technology. It is now looking to increase the strength of its group taxation department and wishes to make two additional appointments.

Taxation Accountant

c.£18,000 + car

This appointment is an excellent opportunity for a young accountant who has already gained a couple of years post-qualification experience in the taxation department of a major professional firm or industrial group. The emphasis is on corporate taxation and the position offers involvement in the complex tax affairs of a major public group with over 250 international establishments.

Key tasks will be to assist in bringing all taxation affairs up to date, to advise on double tax relief situations and to review all manuals and documentation. There are excellent career prospects throughout the group. Reference P6343/2/L.

Taxation Executive

c.£25,000 + car

The Taxation Executive will be concerned with all aspects of U.K. Schedule E taxation throughout the group. The appointee will be expected to advise and make recommendations to all levels of management including Main Board Directors. There will be considerable contact with The Inland Revenue.

Ideally candidates will be in their late 30's-mid 40's with a professional qualification. Extensive experience of Schedule E will have already been gained in a professional firm, the tax department of a major public company or The Inland Revenue. Reference P6343/1/L.

Please write in confidence, enclosing career details and quoting the appropriate reference to Valerie Fairbank, Executive Selection Division, Peat Marwick Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

PEAT MARWICK

Company secretary

City, £40,000 negotiable plus attractive benefits

C&L

For a major City based multinational financial services group, the undisputed market leader in its specialist field.

The position is one of high visibility both within the group and externally with responsibility to the Chairman for the corporate secretarial and legal functions.

An exceptional lawyer, you must have had several years' experience as the full or deputy company secretary in a substantial group preferably servicing international markets.

Terms will not be a limiting factor.

Résumés including a daytime telephone number to John Robins, Executive Selection Division, Ref. RF273.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

RELATIONSHIP MANAGER £20,000+Car

Continuous expansion in this major American Bank has created several career opportunities for graduate bankers with formal credit training. Candidates should have a minimum of 4 years experience of marketing the full range of Bank services to multinational clients.

FINANCIAL ANALYST £14,000

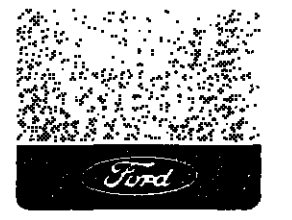
Leading Merchant Bank requires an ambitious graduate who has at least 2 years' experience of credit analysis. You will be involved in all the banks international financial proposals with particular reference to credit, economic and sovereign risks. Age 23/27 with a University degree.

TRAINEE MARKETING OFFICER £13,000

Major Merchant Bank requires an ambitious Graduate with approximately 18 months' corporate Credit Analysis. Working on International portfolios you will be expected to research and assess new business and market to multinational clients.

For further details of these and our other current vacancies please call MIKE BLUNDELL JONES on 01-236 1113 (24 hours)

PORTMAN RECRUITMENT SERVICES



Ford

...for your future in finance

Ford Credit, a subsidiary of Ford Motor Company, is one of the world's leading finance companies, employing around 400 staff in Great Britain with turnover in excess of £500m.

Our nationwide branch network markets an extensive range of credit facilities to the corporate and retail customers of Ford Dealers and provides export finance worldwide.

Our modern head office is pleasantly situated in Brentwood, on the edge of rural Essex, within easy reach of the coast and Central London.

We are a dynamic, high growth company providing first class career opportunities.

...an equal opportunity employer.

Financial Analysis

Your Road to the Top with Ford Credit

c.£16,000 + lease car — Brentwood, Essex

Ford Credit is firmly established as a major automotive financing company with a record of continuous profit growth and can provide excellent career prospects in Britain and elsewhere. Financial Analysis is a highly regarded area making a major contribution to our ongoing success.

This important position will ideally suit an ambitious accountant, economist or business graduate, probably aged mid-late 20's, who has well developed commercial skills; the ability to make a significant contribution to the broader financial aspects of running a successful, expanding company; and the potential to reach the very top in our organisation.

For this high profile position, the ability to communicate and sell ideas effectively at senior management level is essential.

Reporting to the Manager – Financial Analysis, you will lead a small, professional team responsible for the preparation of a wide range of financial analysis reporting. This will include market/competitor analysis, product pricing, taxation, Company profitability/performance, budget preparation and control, internal consultancy and innovative ad hoc projects. Sound knowledge of computer based analytical methods is a pre-requisite.

Excellent additional benefits include 23 days' vacation, premium paid overtime, privilege car purchase and relocation assistance, where appropriate.

Please write with full details, or telephone for an application form to: John Why, Supervisor Staff Administration, Ford Motor Credit Co. Ltd., 1 Hubert Road, Brentwood, Essex CM14 4QL. Tel: Brentwood (0277) 224400.

International Banking...

Systems Development

c.£30,000

An international bank in the City, with a highly profitable record, now intends to update its systems very rapidly and is committed to an ambitious systems strategy involving substantial transaction processing based on its IBM 34 and 36 mini-computers whilst adding stand alone micro-systems for managerial decision support.

The man or woman appointed to implement this strategy will plan and control all crucial projects, in the process achieving a high level of user acceptance. Introduction of professional skills into the existing development team will be expected, as will imaginative leadership.

The successful candidate will be a systems professional with a good knowledge of international banking who is capable of working as a key member of the management team. Current experience of new trends in banking technology, and familiarity with software/hardware available worldwide, is necessary; well developed interpersonal and management skills are essential.

This represents a challenging opportunity for a creative, innovative individual to make a real contribution to management, for which the rewards will be commensurate. Usual banking benefits (including car) apply, and additional career opportunities could be available with an associated major bank.

Please write initially to Ken Anderson at the address below, stating how the requirements are met and indicating in a covering letter any banks to which you would not wish your application to be forwarded.

Anderson, Squires Ltd.,
Bank Recruitment Specialists
85 London Wall, London EC2

Anderson, Squires

Merchant Navy Pensions Administration

Merchant Navy Pensions Administration wishes to appoint additional members to its Investment Team based at its Old Broad Street offices in London.

Merchant Navy Pensions Administration is responsible for the investments of the Merchant Navy Officers Pension Fund and the Merchant Navy Ratings Pension Fund. Total assets are in excess of £1¼ billion. Growth of assets and the continuous need to control and direct investments in order to maximise long term benefits for members of both pension funds necessitate three new appointments.

Far East Portfolio Manager

Responsibilities cover the establishment of full in-house capability in the management of funds currently managed externally. These currently total around £60 million which the right applicant will see as a useful starting point for the creation of what will become a major contributor to the overall performance of the Funds.

European Portfolio Manager

Assets are currently around £35 million. The successful applicant will see European investment management as offering greater investment opportunities than merely tagging along with the Capital International Index. He or she will also look at the current level of assets as only the beginning of the construction of a lively and adventurous investment philosophy based on European Securities.

Corporate Finance

A heavy burden of private company work combined with an investment attitude in public UK companies which takes our members' interests seriously means we need to appoint an additional member to our UK Equity team. Accountancy or legal qualifications and a few years' relevant experience would benefit the successful applicant.

If you want to join a successful team, do a useful job of work, be more than just a cog in someone's marketing by numbers approach to investment and expect competitive remuneration, write with full career details to:-

Mr. John Bird, Secretary,
Merchant Navy Pensions Administration,
Ebbisham House, Church St., Epsom, Surrey, KT17 4QF

BADENOCH & CLARK

CORPORATE FINANCE

£16,500–£30,000 + Bens

One of the leading Accepting Houses with an enviable reputation in the New Issues, Flotations and Mergers and Acquisitions field, is seeking to expand its Corporate Finance division.

We would welcome applications, therefore, from candidates experienced in Corporate advisory work, business start-ups, U.S.M. and Stock Exchange listings or venture capital finding. You should have a professional qualification, having trained with a large city firm of Chartered Accountants or Solicitors, and should demonstrate the necessary flair and commitment to succeed in a challenging and highly rewarding environment.

Please contact **Robert Digby.**

SENIOR INVESTMENT ANALYST

£20,000

Our client, a major Pension Fund Management organisation based in the city, is seeking an Investment Analyst to work in close collaboration with a Fund Manager with discretion over £2.5 billion. Interested applicants ideally will be in their late 20's/early 30's with 4 years experience of equity research gained in a Stockbroker or Investment Institution. The successful candidate will be expected to cover broad economic trends as well as specific stock selection.

This is an excellent opportunity to further one's career within a highly respected organisation. If you would like to discuss it further, please contact **Christopher Lawless** or **Stuart Clifford.**

Financial Recruitment Specialists
16-18 New Bridge St, London EC4V 6AU
Telephone 01-583 0073

Business Development Specialist

PA Technology, the world-leader in innovative technical consultancy, is expanding its Strategic Technical Consulting Group. Members of this team develop technical strategies for multi-national companies and create business opportunities through the application of new technology. PA Technology is unique in having in-depth complementary technical skills to implement product and process development to full commercialisation.

To meet our needs you should:

- **be a conceptual thinker with profit awareness**
- **have excellent technical qualifications and preferably a degree in business administration**
- **have experience of creating strategic plans and implementing change**
- **be aged around 35, have senior management responsibilities and be keen to operate both internationally and at board level.**

We offer an attractive salary and benefits package, together with assistance with relocation to our most attractive and accessible location.

Please phone or write to Miss Jan Halson, Personnel Manager, PA Technology, Cambridge Laboratory, Melbourn, Royston, Herts SG8 6DP. Tel: Royston (0763) 61222.

PA

PA Technology
Cambridge Laboratory

Dynamic MD

to make a company grow profitably

This £5M t.o. private company makes and sells precision components to OEMs. It has the resources – technical competence, management, finance – but needs dynamic professional leadership to take it into new markets, new products, and even higher profits.

Ideally you will already be a successful General Manager in your late 30's commanding an above average salary. A technical graduate with formal professional/business training would be preferred but others with an outstanding, relevant record would be fully considered. Key factors will be personal experience of the precision engineering manufacturing industry, a sound grasp of export marketing and finance and good business acumen.

Remuneration will be negotiable, the c.£30,000 package to include a good salary, bonus, company car and other benefits. There will be an early opportunity to obtain an equity stake.

Please write sending full CV to:
Philip Plumbley Esq
Plumbley/Endicott & Associates Limited
Premier House, 150 Southampton Row,
London WC1B 5AL.

PARTNERSHIP OPPORTUNITIES IN NORTH WEST STOCKBROKING

Substantial Remuneration Package

A well established, dynamic stockbroking partnership wishes to recruit young potential partners in the fields of institutional and private client sales. These areas are presently expanding within the firm at above average growth rates.

The partnership has an enviable reputation for its specialisation of advising clients on high growth smaller companies and is backed by an experienced and highly qualified research team. The partnership also boasts considerable expertise in international stock markets.

Ideally, candidates will be under 35 years of age with at least 3 years experience of stockbroking. They will be under-valued in their present positions and will be looking for a firm in which they can build a secure and successful future. Although qualifications are obviously important, self motivation and an established client base will weigh more heavily.

The successful applicants will be able to negotiate substantial fully competitive remuneration packages commensurate with these demanding positions.

Write Box A8956
Financial Times, 10 Cannon Street, London EC4P 4BY

01-499 9175

MacBlain NASH
Temporary Secretaries
Recruitment Consultants
16 Hanover Square London W1R 0AU.

Energy Finance

Major International Bank

City Base
Highly Competitive Salary + Benefits

Our client is a major, international financial institution with an important corporate-oriented presence in the energy finance market.

A key position has arisen in its energy group to take responsibility for corporate clients and providing finance for key development projects.

Marketing services to major companies in the energy industry is certain to be a stimulating and demanding task, which will require not just drive and initiative, but a considerable degree of knowledge about the industry and its financing, together with a sophisticated, intelligent personality.

For that reason, our client is only interested in talking with degree-educated, vigorous professionals who already have significant project evaluation and/or financing experience, either within the energy industry or with another financial institution.

The post is based at the Bank's UK headquarters in the City, and will attract a highly competitive salary with a company car and benefits that include a preferential mortgage rate, non-contributory pension and life assurance schemes, free medical insurance, bonus and personal loan facilities.

Please write with full career details, listing separately any companies to which your application should not be forwarded, and quoting ref: FT/841, to
Mr. C. Plowman,
Riley Advertising (Southern) Limited,
Old Court House,
Old Court Place,
Kensington,
London W8 4PD.

Riley

ABERDEEN BIRMINGHAM BRISTOL EDINBURGH GLASGOW LIVERPOOL LONDON MANCHESTER NEWCASTLE NOTTINGHAM PERTH

Confidential Reply Service
A member of the Ben Stewart Group

Traded Options

Wood Mackenzie & Co. Ltd. is looking to expand its coverage of traded options and wishes to appoint an experienced dealer. A background including direct contact with clients would be an advantage.

A competitive remuneration including profit related bonus will be offered to the successful candidate.

For further details please telephone or write to Colin Mills, Wood Mackenzie & Co. Ltd., 62-63 Threadneedle Street, London EC2R 8HP. Telephone no. 01-600 3600.

WM

Wood Mackenzie & Co. Ltd.
Member of The Stock Exchange

Corporate Finance in Cambridge

Age 28-32 — **up to £30,000**

Our client is an independent Issuing House, with the backing of a City Stockbroker and an international bank, providing corporate and other financial services from the centre of one of the fastest developing regions in the country.

We are seeking an Executive to join a small team to develop our client's business. Candidates should be professionally qualified with entrepreneurial flair and, as a result of several years experience in the corporate finance department of a merchant bank or stockbroker, have a thorough knowledge of Stock Exchange procedures and institutional funding sources. A Cambridge degree or close affiliation with the region would be an advantage.

Salary and benefits will fully reflect the experience of the successful candidate and a significant equity participation will be available.

Please apply to Anthony Jones, Career Plan Ltd, Chichester House, Chichester Rents, Chancery Lane, London WC2A 1EG. Tel: 01-242 5775. Home number: 01-348 3641 between 7.00 and 9.30 pm.

Career plan LIMITED
Personnel Consultants

GRADUATES with minimum of 3 years in clearing or international banking to join audit team in prime American bank. 40% travel to Europe and Middle East. Excellent training and prospects. 23-28. up to £12,000

SENIOR CLERK *with all-round experience in international bank. Main responsibility will be* customer accounts and some supervisory duties. 27-35. up to £13,000

FINANCIAL FUTURES CLERK for European bank. Experience of FRNs, settlements and manual bookkeeping. Excellent opportunity for someone to join an expanding area. up to £11,000

NEWLY QUALIFIED ACCOUNTANTS with experience in one of the major accountancy firms to join a large international bank. Excellent salaries and benefits.

ASB RECRUITMENT 52/54 Carter Lane, London EC4
Telephone: 01-248 0820 Shelagh Arnell

Money Markets
Senior Dealer/Manager

Our client, an internationally renowned U.S. Bank, currently seeks to appoint an experienced Money Market professional to its London Treasury Division.

Probably at Vice President level, this position will include responsibility for:–

— Managing the trading function for Money Markets and Capital Markets instruments.
— Creating and developing new products to increase trading activities.
— Managing and co-ordinating a team of approximately 5-8 experts.

Candidates, with degree/MBA, should have strong experience in the following areas:–

— *5-10 years trading experience: Futures, C.D.'s, Options,* FRCD's, FRN's, Interest Rate Swaps.
— Funding a large US$ portfolio in New York or London.
— Running an independent treasury operation.
— Foreign Exchange trading/knowledge of exotic currencies.

Individuals with the necessary drive and initiative to make a major contribution within this role will be rewarded with a highly competitive compensation package, which includes the potential for a substantial bonus. Interested applicants should contact **Chris Smith on 01-404 5751,** or write, enclosing a comprehensive c.v., to the Banking and Finance Division, 23 Southampton Place, London WC1A 2BP, quoting ref. 3491.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

Strategic development in corporate information systems with HAMBROS

This leading City based merchant bank is moving into the detailed planning and analysis phase of its strategy for the long-term development of its corporate information systems.

We now need a number of high calibre Information Systems and Data Processing professionals to influence and direct this development which will be a fundamental factor in the success of the bank business strategy.

You will enjoy a high level of involvement, responsibility and reward in return for ability and performance.

Present applications are based on a variety of Sperry, IBM, and WANG mainframes and mini computers, together with PCs and other information processing facilities.

We are looking for at least 2 years banking and/or financial systems experience gained in a similar environment.

Career development prospects are excellent.

Hambros Bank

Information Analysts
*to £17.5k + benefits**
Proven experience in the development of banking related management information systems combining working knowledge of database design and data analysis techniques.

Data Administrator
to £17.5k + benefits*
This is a senior position and experience should include data dictionary and database design together with ability to set up and maintain standards and controls for data management.

Decision Support Analyst
to £15k + benefits*
With working experience in one or more of the *following: financial modelling and accounting;* spreadsheets; proprietory information systems; operations research and personal computer applications.

Business and Systems Analysts
to £16k + benefits*
Combining strong interpersonal skills at senior level with a minimum of 2-3 years experience in the banking and/or financial sector. Responsibilities will include all phases of project development from initial investigation to implementation. Software package evaluation experience would prove advantageous.

Office Automation Analyst
to £15k + benefits*
To assist with the initial evaluation planning and installation of office automation to include word processing, electronic mail and the full range of O.A. facilities throughout the Bank.

**The additional benefits package is as you would expect from a leading banking and financial group and flexible to meet individual needs.*

To apply please send your full C.V. to Les Tiller, Manager – Information Systems, Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA.

Deposit Dealer
Broaden Your Scope

You are in your mid to late twenties and have about 2 years' experience in deposit dealing with ideally some knowledge of the futures market. You have a steady record of achievement and now want to add extra scope to your responsibilities.

This well established City based branch of an International Bank has enjoyed considerable growth and expansion over the last few years. Today it enjoys global representation, an extensive client and product range, backed by a solid asset base.

Working as an integral member of a small team, you will be primarily involved in deposit dealing in a number of currencies with the chance to develop futures trading and options in due course. Profit orientated and commercially minded, you will be anxious to realise your full potential within this exciting and developing environment.

Salary is negotiable, commensurate with experience and potential plus banking benefits and bonus scheme. This opportunity will only interest individuals with flair, ability and the desire to progress their career. Please ring, or preferably write to Carmina Leon of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Telephone 01-404 5701.

Cripps, Sears

PROVINCIAL STOCKBROKERS require

Two people experienced in dealing with private clients to assist Partners. Considerable client contact is envisaged, but capacity is available for person with existing clients.
Applicants must be authorised dealers or associate member status.
Remuneration dependent upon age, etc.
Apply in writing with details to:
D. W. Sutton, Esq.,
FOWLER SUTTON & CO.,
35 Bishop Lane, Hull, HU1 1NZ
North Humberside.

Insolvency Manager

Leeds — **c£17,000 + Car**

Our client, a major international firm of Chartered Accountants, has a rapidly expanding insolvency practice in Leeds. They seek to recruit a Chartered Accountant to manage their sizeable insolvency team and supervise an extensive portfolio of receiverships and liquidations.

The successful candidate will have significant insolvency experience gained in a well known professional firm, together with the drive and ambition to succeed. Strong organisational ability and self motivation will be substantially rewarded in terms of both remuneration and career progression.

Relocation facilities are available where appropriate.

Applicants should contact **Graham Thompson** on **0532 450212** or write enclosing a comprehensive c.v., to: **Michael Page Partnership, 13/14 Park Place, Leeds LS1 2SJ,** quoting **L8152.**

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

CLIFFORD-TURNER

Lawyer for Employees' Share Schemes and Pension Schemes

We wish to appoint an able lawyer to fulfil a dual role advising on both employees' share schemes and pension schemes. The successful applicant will join our established team of lawyers working in these interesting and expanding fields.

These are rapidly developing areas of practice requiring expertise in corporate and commercial law as well as tax and trust law. The work requires an imaginative and innovative yet practical approach to meet the demanding individual requirements of successful private companies as well as public companies & multi-nationals. Some of the work involves a foreign element.

Applications are invited from lawyers with appropriate experience or qualifications to work and succeed in these specialist fields. The post will be of particular interest to pension scheme lawyers wishing to extend their skills to employees' share schemes (or vice versa). However, we will also consider applications from lawyers with limited or no relevant experience if they can demonstrate a high level of ability and a willingness to develop the necessary skills.

The successful applicant will enjoy a very competitive salary, other benefits and excellent career prospects.

Please write with a detailed CV to Alistair Allan, at:–

Clifford-Turner,
Blackfriars House,
19 New Bridge Street,
London EC4V 6BY.

Major International Bank
RECRUITMENT & TRAINING MANAGER
to £20,000 plus benefits

Our client, a major international bank well established in the City, has a requirement for a Manager to take responsibility for staff resourcing, training and development.

The ideal candidate will be a graduate aged under 40 years who is a Personnel professional with a minimum of five years' experience gained with a City bank. Consideration will be given to candidates from another international environment. Essential qualities are self motivation and innovative flair.

An attractive starting salary will be offered reflecting the importance of this rôle, together with a major bank benefits package.

For further details, please contact Leslie Squires in the first instance. Telephone 01-588-6644, or write to him in the strictest confidence at the address below.

Anderson, Squires Ltd.,
Bank Recruitment Specialists
85 London Wall, London EC2

Anderson, Squires

Top Executives
earning over £20,000 a year

Can you afford to waste nearly £2,000 a month in delay? Minster Executive specialises in solving the career problems of top executives. The Minster programme, tailored to your individual needs and managed by two or more partners, is your most effective route to those better offers, 75% of which *are never advertised.*

Our clients have an impressive record of success; many blue chip companies retain our services in the redeployment of their top people.

Telephone or write for a preliminary discussion without obligation—or cost.

MINSTER EXECUTIVE LTD
28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309 / 1085

Banking and Foreign Exchange Manager

ST. HELENS — **c £16,000**

Pilkington Brothers PLC, one of the UK's "Top 100" companies with a turnover of £1.2 bn, seeks to recruit a *Banking and Foreign Exchange Manager to be responsible for the efficient utilisation of the UK* Group's cash position and the management of foreign currency flows in excess of £100 M per annum.

This is a new, key appointment in the recently expanded Group Treasury Department and initially the jobholder will work closely with consultants in the development and implementation of a computerised treasury management system.

Candidates should have a minimum of 3 years experience of trading/dealing in the sterling and foreign exchange markets and have the capability to organise and/or improve information flows relating to funding requirements and currency exposures throughout our UK companies.

Preferably, therfore, you should have a banking background, an appropriate professional qualification and corporate treasury experience in a multinational environment. Accounting knowledge would be useful, whilst experience of computerised currency management would be a definite advantage.

The rewards package includes membership of the company's car and private health schemes and other large company benefits. Removal expenses will be paid where applicable.

Please write, enclosing a full c.v. and stating how you meet our requirements, to the consultant advising on this appointment. M C Ward, Executive Selection Group, Coopers & Lybrand Associates Limited, Management Consultants, St James's House, Charlotte Street, Manchester – quoting reference R403.

PILKINGTON

Deputy Head Eurobond Settlements

£15-£20,000 + excellent benefits

Reporting to the Head of Settlements, this position carries day to day responsibility for managing a large and active eurobond settlements department.

The successful candidate will have gained several years experience in a prominent securities house including substantial and demonstrable success in managing and organising settlements staff, and contributing towards the development and implementation of computerised systems.

Bank of America International Limited is a major issuing house and market maker and therefore a well-developed knowledge of procedures for settling and accounting for a wide range of investment instruments and currencies is also required.

Investment banking with Bank of America offers both immediate challenges and excellent career opportunities. The remuneration package is in line with best banking practice and reflects the importance of this key appointment.

Write with full personal and career details to Peter Cole, Bank of America International Limited, 1 Watling Street, London EC4P 4BX, or telephone 01-634 4660 for preliminary discussions.

BANK AMERICA CAPITAL MARKETS GROUP

Fixed Interest Fund Manager

Hambros Bank Limited is seeking an ambitious young individual to join the fixed interest department within the Funds Management Division. This specialist team manages fixed interest portfolios in all the world's major bond and money markets. The activities have grown rapidly in recent years, and therefore a requirement has arisen for an additional sterling fixed interest fund manager.

The successful applicant will probably be in his or her early twenties, and will either have had some exposure to fixed interest markets or will have had at least two years' experience in economic research with a financial institution. He or she will be expected to assume full responsibility for the management of client portfolios as soon as possible. Consequently an ability to assess complicated situations, take decisions, and communicate effectively are the essential ingredients for success.

Because of the importance of this position an excellent salary and a full range of fringe benefits will be negotiated.

Please apply in writing, enclosing a detailed curriculum vitae, to Mr. A. F. Brignall, Head of Personnel, Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA.

Hambros Bank

CJA RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01·588 3588 or 01·588 3576
Telex No. 887374 Fax No. 01·638 9216

Open to a prime mover – a challenging start-up situation – scope for equity participation and to establish further companies within the transportation field.

MANAGING DIRECTOR

NORTHERN BRITISH ISLES £24,000 – £32,000

NEWLY ESTABLISHED INTERNATIONAL TRANSPORTATION BUSINESS

We invite applications from candidates, aged 37-45, who have acquired at least 8 years practical commercial experience running a profit centre and not less than 4 years at general manager level, preferably acquired in the transportation field. Reporting will be to the Chairman for the effective direction, administration and control of this new company involving the development of the existing strategy and, through a small team, the generation of new business, negotiating and dealing directly with Licensing Authorities, Government Agencies etc. and the establishment of further business in freight forwarding. The qualities of commercial acumen to develop a profitable business is key to the success of this appointment. Initial salary negotiable, £24,000 – £32,000 + car, contributory pension, free life assurance, free family medical assurance, assistance with removal expenses if necessary. Applications in strict confidence under reference MD4326/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 OR 01-588 3576. TELEX: 887374. FAX: 01-638 9216.

LEADING INTERNATIONAL BANK

Graduates/Corporate Dealers

Forex/Treasury and Related Products

Our client, a leading international bank, offers an outstanding opportunity for candidates to join a successful team dealing with UK and International corporations and marketing new products related to Foreign Exchange and Treasury.

The ideal candidates, being imaginative and self motivated, must possess a good degree in economics or related subjects. Previous banking experience would be a distinct advantage.

The bank, with a firm commitment to career progression, will undertake the in depth training of the successful applicants on all relevant products as necessary. The possibilities for promotion, both in London, or within the bank's large overseas network, are outstanding.

The salaries and attractive benefit packages offered are negotiable, dependent on age and experience. Please write in the first instance to John Kennard, ABGH Advertising and Recruitment Services Limited, 87 Jermyn Street, London SW1Y 6JD. Please list separately any companies to whom you do not wish your details to be sent.

ABGH Executive Recruitment

Morgan Bank-Tokyo

Treasury/Capital Markets

The Morgan Bank is looking for specialists to expand its Treasury and Capital Markets activities in Japan. Candidates should have related experience, or strong potential, in one or more of the following:

- Foreign Exchange
- Asset and Liability Management
- Bond Trading
- Financial Futures
- Marketing Treasury Products

We would expect all applicants to have proficiency in both Japanese and English.

Candidates may apply directly, or through the employment counsellor of their choice to:

Norio Saito, Vice President
Morgan Guaranty Trust Company
New Yurakucho Building
12-1 Yurakucho 1-Chome
Chiyoda-Ku
TOKYO

The Morgan Bank

HOARE GOVETT LIMITED

Stock Exchange Dealer

Hoare Govett wishes to recruit a Stock Exchange dealer (man or woman) to join our gilt and fixed-interest department.

You will have particular responsibility for the gilt traded option contracts and the opportunity to work alongside the institutional salesmen servicing clients and utilising Hoare Govett's arbitrage techniques. You will also be able to deal in the full range of gilt and fixed-interest business.

The position offers prospects of a substantial increase in responsibility as the structure of the sterling bond market changes over the next two years.

You should be in your early twenties and already an authorised dealer or senior blue button.

Applications, which will be treated in confidence, should be sent to:

The Company Secretary,
Hoare Govett Limited,
Heron House, 319–325 High Holborn, London WC1V 7PB.

Direct Marketing Executive

City

Founded in 1934, the Save & Prosper Group has developed from its position as Britain's leading unit trust company, to become a major force in the whole area of personal financial services. The Group currently manages over £2,000 million.

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1784

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MULTINATIONALS IN ARGENTINA

Jimmy Burns on a deal that promises to transform a South American telecommunications industry

Siemens demonstrates its commitment to Argentina

"This isn't a normal deal because these are not normal circumstances. Normally you estimate the price on the basis of expected future earnings. But in this case we simply do not know what future earnings are going to be."

With this comment, Herr Ekkerhard Koette, financial director of the Siemens group in Argentina, pinpoints the peculiarity of a takeover deal that promises not only to boost the West Germany company's already considerable business profile here, but also to transform Argentina's local telecommunications industry over the next few years.

The deal involves the sale of ITT's Argentine subsidiary Standard Electric to Siemens and a group of Argentine private companies led by the Grupo Juncal, a diversified holding company.

Standard Electric's troubles surfaced this year when the local management ceased production at the company's telephone equipment and cables plants in San Isidro on the outskirts of Buenos Aires, before confirming that it was looking around for a local buyer.

The last U.S. company to pull out was General Motors, which sold off the bulk of its participation in the local automobile industry in 1979. To many the ITT move is an ominous reminder of the difficulties facing foreign investors in Argentina's volatile political and economic climate. So it was hardly surprising that the Government found itself moving quickly to avoid a potentially shattering blow to its self-projected image of stability.

In the circumstances, the decision to give moral support to a shared acquisition by Siemens and Juncal was a masterful stroke by a Government that in the 15 months since it took power has not distinguished itself in the art of decision making.

To have allowed a continued shutdown would have produced the politically damaging scenario of additional lay-offs in a traditionally highly politicised sector of Argentina labour (in recent years, Standard had reduced its labour force from over 4,000 to 1,200). It would also have seriously undermined the Government's attempts to attract foreign investment to aid economic recovery.

On the other hand, to have permitted the ITT offshoot to be taken over in full by another foreign company would have stirred nationalists within and outside government into a noisy tirade against what they see as the sinister machinations of multinationals and their attempts to hold the country's telecommunications industry to ransom.

The compromise arrangement offers the Government protection on both flanks. Siemens boasts a reputation as one of the longest established foreign companies in Argentina, and has made a significant contribution to the country's industrial and technological transformation. Siemens was established in the country in 1909, with the opening of a representative branch. It progressed with the installation of such things as electric generators. Now, it is involved in highly diversified activities in strategic sectors of the economy, and employing over 3,500 people.

Span of interests

Either directly through Siemens SA, the holding company, or in association with local private and state companies, the West German group's interests in Argentina span energy installation and equipment, telecommunications and electronic systems, electrical hardware, hospital equipment, and nuclear power.

"By participating in the takeover of Standard Electric, Siemens is demonstrating its strong and uninterrupted commitment to Argentina," says Herr Koette.

Similar concepts were being brandished around last month by officials of Grupo Juncal, who broke with company policy in order to comment on the deal. "However great Argentina's current financial problems, we believe that democracy can eventually ensure the necessary institutional framework in which investments can flourish," commented Sr Cristian Schmigelobb, Juncal's executive director.

The ten associated insurance companies that form the main pillar of Grupo Juncal have their early beginnings in the last century, when British interests established a firm presence here linked to Anglo-Argentine trade.

The sense of tradition that still pervades the group's offices in Buenos Aires is however, matched by Juncal's apparent ability always to keep one step ahead of the market. When banking in Argentina was big business following the 1976 coup (because of the dexterous management of high interest rates and an over-valued local currency), Juncal attached itself to the Banco de Italia Y Rio de la Plata, one of the leading private banks, only to pull out of it just before the banking crash in 1981. More recently it has turned inflation into a business proposition by consolidating its hold on the local credit card market in association with Mastercard. Grupo Juncal is also the local representative and supplier for Wang Laboratories, the U.S. computer group.

Juncal has no direct experience of telephones or cables, but as Sr Schmigelobb points out, there is in 1985 an increasingly thin line separating "telephones from electronics." In Argentina, as a result of the Government's ambitious programme to propel one of the world's most inefficient telephone systems into the era of high technology.

The starting point for this came just over four years ago, when the then military Government of General Roberto Viola awarded a $100m contract for the provision of 600,000 new lines in or around the city of Buenos Aires where the bulk of the population lives and works. The contract formed part of the storage-programme controlled (SPC) system and was thus a significant step in the transition of the country's electro magnetic telephone system into one given over fully to electronics.

Six companies competed for the deal, offering differing prices and technology: they, included Standard Electric, Siemens, Ericsson of Sweden, Philips of the Netherlands, and NEC of Japan. A compromise arrangement was struck, ensuring against any one firm setting up a quasi monopoly. The contract was split three ways, with 50 per cent of the contract going to NEC (which had offered more advanced technology at virtually half the price) and the rest going in equal shares to Standard and Siemens.

The contract in theory gave the three companies a guaranteed market for their technology for the following 15 years. In practice, however, the telephone modernisation programme was undermined by political and economic problems.

The debt crisis and the Falklands War led to a virtual paralysis of decision making: Entel the state-owned telephone company chalked up heavy losses, orders were postponed or cancelled, and the three companies suffered as a result.

Of the three winners of the contract, Standard Electric came out worst. In spite of successive capital injections by its parent company, Standard suffered on account of its dependence on a single client —Entel. ITT's other interests in Argentina, mainly the Sheraton Hotel, were unable to play the necessary supporting role.

NEC protected itself from over exposure: it has only one assembly line here, and has held back from complying with some of the terms of the contract by refusing to rush into any major new plant investment (it imports rather than produces locally). Siemens, meanwhile, looked to survival through diversification, yet it had at the same time carved itself a lucrative niche in private telecommunications.

Anti-inflation drive

The return to democratic rule may have been welcomed by Grupo Juncal, but it was hardly a source of celebration for the officials most closely involved in the telecommunications industry. For all their improvisation and endemic instability, it had been the military governments in Argentina that had traditionally devoted the greatest attention to prestige infrastructure, development projects — the telecommunications industry was only one of a number of sectors of the economy converted into a virtual fiefdom by the Army because of its strategic importance.

The radical Government has had one policy decision forced upon it by economic realities, and this has had an immediate effect on the telecommunications industry: as part of an anti-inflation drive it has imposed drastic cuts in subsidies to state companies. Because public tariffs have not kept pace with inflation, Entel has fallen further into the red.

Siemens and Grupo Juncal have taken over Standard in such circumstances on the apparent assumption that Entel is undergoing the surgery it needs.

Looming in the background is a huge and untapped potential market. At the end of 1984, there was a waiting list of one million Argentines requesting telephone lines, just under half the number already in use. In spite of boasting one of the most literate and cultured societies in the Third World, the growth of the Argentine telecommunications industry in recent years has been less than half of that of either Brazil or Mexico.

There are currently ten telephones for every 100 inhabitants, compared with a ratio of 30:100 in Spain and 66:100 in Canada.

"Based on such a potential market, Standard Electric now has a fair chance of getting back into profitability," commented Herr Koette. That he is unwilling to disclose the time scale is a measure of his company's caution in a far from certain world.

Company Notices

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US$125,000,000 FLOATING RATE NOTES 1991

FOR SIX MONTHS

In accordance with the provisions of the notes notice is hereby given that the rate of interest has been fixed at 9 15/16 per cent per annum. Interest payable October 11th 1985 against coupon No. 9 will be US$249·40 against 5,000 note by Chemical Bank London (agent bank).

CITIES SERVICE OVERSEAS FINANCE, NV

17 PER CENT NOTES

The undersigned announces that the annual report of Cities Service Company on form 10-K as filed with the Securities and Exchange Commission for the year ended December 31 1984, will be available in London at:

Credit Suisse First Boston Limited,
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April 11 1985

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Cayzer Ltd.	13½%	Royal Trust Co Canada	13 %
Cedar Holdings	14 %	■ J. Henry Schroder Wagg	13 %
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*Choulartons***		TCB	13½%
Citibank NA	13 %	Trustee Savings Bank	13½%
Citibank Savings	¶12½%	United Bank of Kuwait	13 %
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■ Members of the Accepting Houses Committee.
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‡ Call deposits £1,000 and over 10%.
‖ 21-day deposits over £1,000 11¼%.
¶ Mortgage base rate.
§ Demand deposits 10¼%.
** See Provincial Trust Ltd.

International Currency

The last decade has seen the development of Pearson as an international company organised into five divisions, with strong trading names and able management. In 1984 nearly two-thirds of our profits were earned abroad. Our international expansion has been the product of two factors. First, we have established a major new sector, oil services. Secondly, we have pursued a policy of extending our existing businesses overseas, where we continue to see our major growth opportunities.

In 1974, for example, only 20 per cent of pre-tax profits came from North America. Apart from Royal Doulton's exports, those profits consisted overwhelmingly of dividends from portfolio investments. Last year North America's share of pre-tax profits was 37 per cent and the major portion came from companies we own and which operate in the United States.

Information and Entertainment

The fact that English is the first language of the business world has benefited both the Financial Times and Longman.

Since the Financial Times began printing its International Edition in Frankfurt, it has rapidly established itself as Europe's leading business newspaper. Overseas advertising in the paper has increased significantly over the last few years. This summer the FT plans to extend its international coverage by using satellite printing in the United States to ensure prompt and reliable distribution.

Longman, with approximately 70 per cent of its business outside the United Kingdom, has always had a strong position in international, particularly third world, publishing through educational and English language teaching text books. Recently it has broadened its publishing base by a series of acquisitions in the United States, all of them specialists in business and professional publishing, which complement Longman's existing strengths there in college and medical textbooks.

Two factors have accelerated Penguin's international growth. The successful development of local publishing in the Commonwealth has been reinforced by the recent acquisition of Frederick Warne whose major author, Beatrix Potter, is loved thoughout the world. In the United States the company is continuing to build up its distinguished imprints, Viking and Penguin.

Westminster Press has successfully applied its British newspaper publishing expertise to the group of local shopping guides and real estate papers which it purchased and has expanded in central Florida.

Our sizeable interest in Cedar Fair, which operates two amusement parks in the United States, complements the involvement we have in family entertainment through Madame Tussaud's in London.

Engineering

A number of Fairey's businesses trade worldwide. Its medium girder bridge has been sold to over 30 countries and Fairey Marine's boats have been supplied to governments throughout the world. Over 70 per cent of the products of the insulator division are destined for overseas markets and the filtration division has substantial business abroad.

Fairey has also begun a programme of niche acquisitions to complement its existing businesses and strengthen its technology. There have already been two such acquisitions in the United States and one in France.

Merchant Banking

The benefits of last year's realignment of the three Lazard houses were twofold. First, it created a unique nexus of three indigenous investment banks, each pre-eminent in its market. This will provide a strong competitive franchise as the financial world becomes increasingly global and the radical changes in the City of London take effect.

Secondly, the exchange of a portion of our interest in Lazard Brothers for partnership stakes in the other two Lazard houses means that half our profits in this sector now come from New York and Paris.

Fine China

Royal Doulton has always been an international business. Exports account for more than half of sales. Although manufacturing is still confined to Stoke-on-Trent to maintain quality control and the 'made-in-England' cachet, it has distribution companies in the United States, Canada, Belgium, Australia and South Africa, and an increasing market in the Far East.

Oil and Oil Services

The decision to buy first a minority and then a controlling interest in Camco stemmed from Pearson's long connection with oil.

In oilfield equipment and services, Camco has a wide international customer base and operates in every major oil-producing area in the world. Headquartered in Houston, it also has an important factory in Belfast and facilities in Latin America and the Far East.

The market for Compressor Systems, on the other hand, is primarily the United States' natural gas industry. Oil is, of course, a world-wide commodity and we have direct interests in oil fields in the North Sea and the United States.

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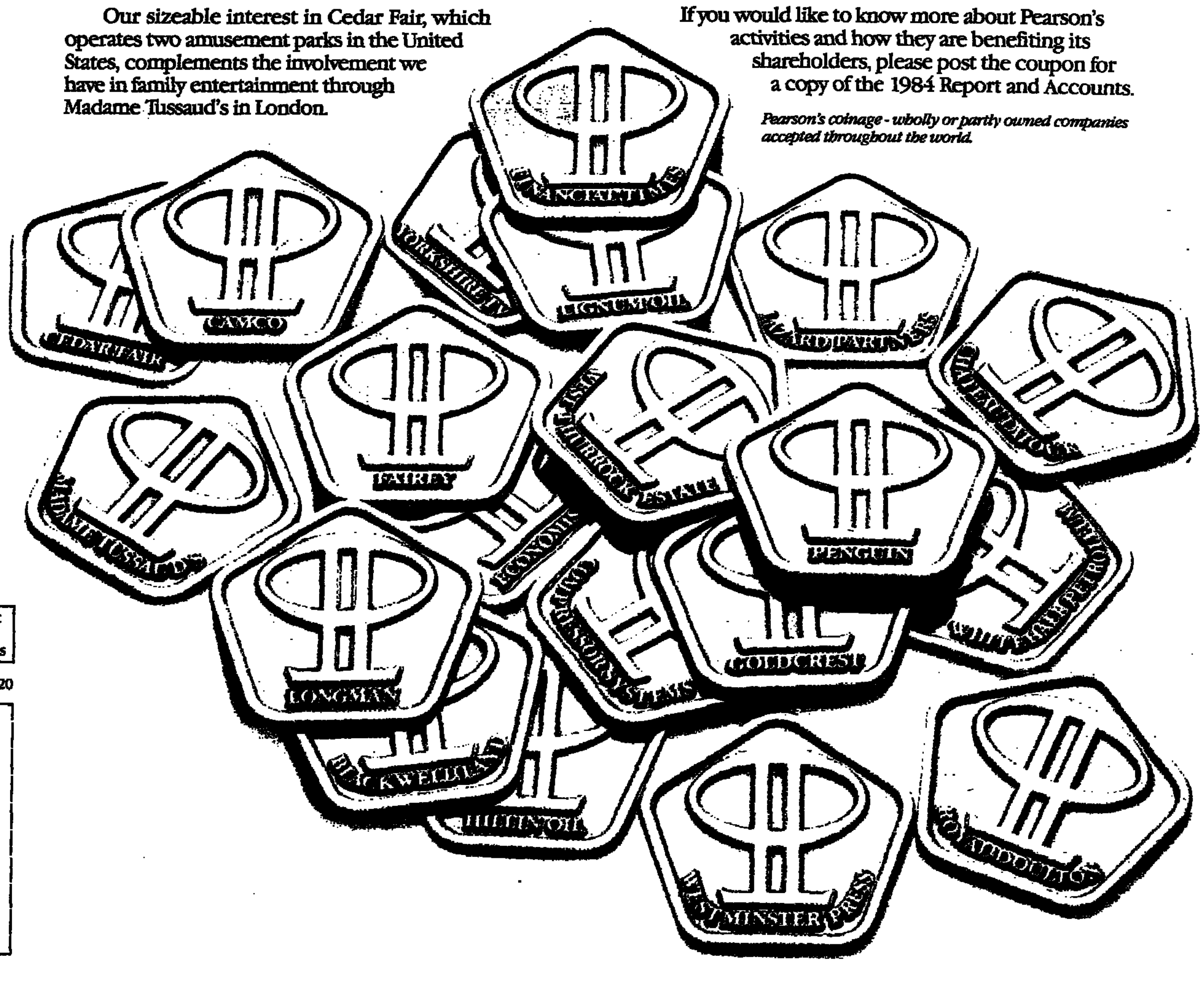

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FT 11/4

How the Woolmark saved an industry

BY ANTHONY MORETON

TWENTY-ONE years ago the International Wool Secretariat launched Woolmark, the black-and-white ball-of-wool symbol that has become as famous as the Shell or Esso signs or the star-in-a-circle of Mercedes-Benz, in a desperate bid to resuscitate the fortunes of the world's wool producers.

Sheep farmers had been knocked sideways in the 1950s by the arrival of the so-called "miracle" synthetic fibres and faced the threat of extinction within a decade or two.

Those were the days of drip-dry shirts, polyester ties, easy-care sheets, synthetic shoes. Poor old wool, already very much a minority fibre, stood no chance, it was said, against lusty newcomers such as nylon, polyester and acrylics.

Now 21 years later wool is alive and well and though its share of the total fibre market has fallen, its volume has risen. It commands a price premium over synthetics and people actually like woollen clothes whereas they have become suspicious of many of the synthetics.

Though the strict definition of quality needed to get a Woolmark ticket has recently become something of a problem for the IWS, Woolmark has undoubtedly been instrumental in acting as a saviour for the industry and the whole of IWS' £100m plus a year marketing programme is geared around it.

"The idea of Woolmark was a brilliant, forward-looking concept," says Dr John McPhee, the Australian managing director of IWS.

"The idea was thought up by William Vines (now Sir) and the symbol was created by an Italian designer, Francesco Saroglia, who won an international design competition.

"Vines, a truly remarkable man, had been recruited to give new drive to the IWS, which was then in the doldrums. He came up with the idea of a certification mark which was not just a trade mark but something that could be associated with quality."

This is the core of the concept of the Woolmark. Any garment carrying it assures the buyer that he or she is getting not the product of a particular producer but a garment with a level of quality. The assurance was that everything carrying the label was made of 100 per cent pure new wool.

"All the predictions at the time," says McPhee, "were that both wool and cotton would disappear within a decade or two. Something had to be done to fight the appeal of synthetics."

The IWS had been set up, with headquarters in London, in the late 1930s as the marketing arm of three of the world's principal wool-producing countries — Australia (which put up, and continues to fund, the major share of the budget), New Zealand and South Africa. The three have subsequently been joined by Uruguay and Brazil.

Statistically, the success of Woolmark can be queried. Between 1961 and 1983 total fibre production in the world doubled whereas that of wool increased by a mere 9.5 per cent. In this period output of man-made fibres increased four-fold and even cotton went up by 41 per cent.

Wool, however, has become "the" premium fibre. "When Woolmark was introduced synthetic fibre prices had a premium of 1½ over wool," says McPhee. "Now, wool commands a 3-1 premium over the relevant synthetic yarn.

Quality control

"The vision of wool is of a classy product. People want wool for their better clothes even if they cannot afford expensive ones."

To achieve this the IWS created the standard of 100 per cent pure new wool and then licensed the mark under very strict rules. It cannot be attached to any old garment.

"A large amount of our resources goes on Woolmark," says Ian Graham, director of technical and marketing services at the IWS development centre in Ilkley, Yorkshire, and the man responsible for the Woolmark operation. "Our success is very much a question of quality control. We are constantly on the lookout for evasion.

"A recent example was of some knitwear being made in Hong Kong and exported to Australia with the Woolmark symbol on it. We checked on the material, got some examples sent here to Ilkley, had our technicians pull it apart and found it did not conform with our standards. We told the exporter to take the labels off."

Nor is monitoring just a matter of checking goods after production. When Mauritius became an important source of Shetland knitwear the IWS put a man on the island to keep an eye on quality

Mauritius is just one of 59 countries whose producers have been licensed to carry the Woolmark. Approaching 16,000 companies have been licensed, in countries ranging from Algeria to Zimbabwe.

Half the licensees, however, are to be found in four countries: Italy, the UK, West Germany and Japan. Some Eastern bloc countries such as Czechoslovakia, Romania and Hungary have licensees but not the Soviet Union which refuses to co-operate with the strict licensing controls.

China, however, does, and nothing has caused more dissension in recent years than the decision to admit the Chinese to the fold. China was first licensed in 1981 and now has 81 licensees. Most Western producers see Chinese involvement as a way of obtaining respectability for cheap products. Graham does not.

"We monitor China carefully from Hong Kong and if Woolmark encourages people at the lower end to produce to a standard of performance then everyone using wool benefits."

The increasing internationalism of clothes manufacturing—yarn spun in one country, exported to a second for weaving into fabric, moving on to a third and fourth for making up and being sent to a fifth to have the Woolmark label sewn in and the buttons put on —is not, however, the major problem facing the IWS.

The big problem is how to define "100 per cent pure new wool" in terms of modern production conditions. On what sort of garments should the Woolmark label be put?

To the layman 100 per cent pure new wool can only mean one thing. However, by the late 1960s it was acknowledged that there were cases where wool blended with another fibre could produce a better product. An all-wool sock is inferior to a largely wool sock which has synthetic-fibre reinforced heels and toes.

Nearly 16,000 companies have been licensed to use the Woolmark, in countries ranging from Algeria to Zimbabwe

To cater for such items Woolblend was introduced. This covers any goods that have a minimum of 60 per cent wool. "Some 30 per cent of wool is used in blends," McPhee says. "so this market is very important. Woolblend helps us to shift more wool."

But McPhee admits to being ambivalent about the concept of Woolblend. "While it helps to shift more wool we have found we do not have the resources to promote two marks and we certainly do not promote Woolblend anywhere near as heavily as Woolmark."

But the problem does not lie with Woolblend with its clearly defined parameters, but with Woolmark itself.

"When we started," Graham explains, "our great strength was that people knew where they stood with it. It was 100 per cent wool." Suddenly that strength became a problem. Production methods and fashion changed and manufacturers started putting small amounts of other fibres—cashmere or elastomeric fibres to give stretch—into wool. Could this be described as "pure new wool"?

Graham continues: "Under modern conditions we believe that a garment can be described as comprising 100 per cent pure new wool even if it includes up to 5 per cent of fibres which enhance the quality of the garment."

What Woolmark has done, according to McPhee, is to sustain wool as the number one choice fibre, allowed it to move with the times, and enabled it to compete in a world where synthetics once threatened to swamp the market. It has also provided a good rate of return for the growers.

This premium has come about because the IWS now, unlike 20-odd years ago, firmly accepts the Vines legacy that the starting point for all its work must be the market place.

But it has linked the market place much more closely with growers' needs. "When the Cool Wool campaign was launched in Germany a couple of years ago," according to Anthony Gould, IWS's apparel director, the intention was not just to get woollen clothes acceptable in summer as well as winter but to help a specific segment of the growers.

"Producers of the very finest grades of Merino wool had large stocks. We produced a campaign that would both sell more wool and help a specific segment of growers.

"Now with Casual Wool, also launched in Germany, we are trying to help those growers with slightly coarser, though still fine wools."

Woolmark was launched to get a premium for wool over synthetics. It succeeded. And it will continue, says McPhee, because wool is a contemporary fibre that people want in their clothes.

AD HOC

PRESS advertising has been enjoying rather rude health in recent months. Nowhere is this more obvious than in the continuing flowering of free newspapers. Now for the first time, revenue from free newspapers has overtaken that of paid-for weekly newspapers. This is confirmed in the latest Advertising Association "Forecast of Advertising Expenditure to End 1986."

Statistics compiler, Pym Cornish, speaking at the Association of Free Newspapers' second annual convention, put the revenue for the frees at £224m.

which reflects an outstanding growth rate of 25 per cent. For the paid weeklies, a growth rate of 7 per cent to £223m outstripped inflation. Local radio, on the other hand, is down by about 3 per cent in the last quarter.

Projections for 1987 suggest an increase of some 40 per cent to £352m for the frees, with a 1990 figure of about £590m, a hefty 162 per cent increase over the next five years.

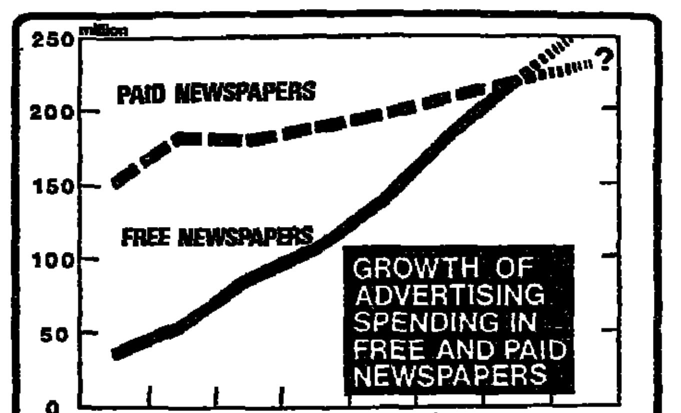
●

THE IMPENDING VAT levy on print advertising has brought howls of protest from advertising industry bodies. VAT, warns the Advertising Association, will hit hardest those advertisers least able to pay—small businesses and charities.

In a letter to the Chancellor, the Association voices its concern about the effects of the levy—due to take effect from May 1—on print media and on certain categories of advertiser. Private individuals, small businesses, charities, government departments and the financial sector will suffer most, it says.

It is estimated that the loss in ad revenues from private individuals will amount to 5 per cent, which could have serious implications for those magazines and newspapers carrying a high proportion of classified ads.

Though there has been no clear indication yet of how the press will react to the VAT levy, initial response from newspaper societies suggests that local and regional press could suffer a £5m reduction in revenues from advertising, with Fleet Street facing the possible collapse of two newspapers as well as the loss of some 10 to 15 per cent of free titles.



The AA points out that the top 10 charities would have to find an extra £400,000 to pay their VAT bill on their current advertising budget in the print media "which would have a consequent and direct effect on their fund-raising."

Small businesses, too, will "either have to pay more for one of the key marketing tools or reduce their already pared marketing budgets."

There is concern that government departments do not reduce their public safety advertising, for instance, in volume and "thereby in effectiveness . . . and that some mechanism will be found to channel any tax paid on Press advertising back to the relevant department."

Variety and choice is going to suffer, says the Incorporated Society of British Advertisers, with serious implications for advertisers in the financial and services sector. Marginal publications and small retail outlets will be hardest hit, it says.

●

THE POSTER industry, which has been collecting brickbats for the interminable delay on its much-heralded Site Grading and Classification System, has now completed the project.

So says Geoffrey Fowler, managing director of London and Provincial Poster Group, the UK's largest contractor. He was speaking this week to a meeting of brokers at the announcement of the annual results of its parent company (London and Continental Advertising Holdings).

Altogether 130,000 individual poster sites around the country have been assessed and evaluated in what is said to be the most sophisticated audience measurement for advertisers of its kind anywhere. Some 6m pieces of information have been gleaned. But it will be autumn before the fruits of the two-year labour can be made available as a database to the waiting world.

●

BELOW-THE-LINE advertising—sales promotion, direct marketing and the like—is not well-charted in terms of corporate industry statistics and growth records. Those connected with the industry know that it is growing fast, as companies look to stretch their advertising pound still further, but no one can tell by how much.

Mintel, the research company, recently attempted an assessment, and indicated an annual industry rate averaging between 20 and 25 per cent in the last four years.

Now comes news that the Charterhouse, Business Expansion Fund is to invest in the fast growing sales promotion agency, Watson, Lane and Keene—more proof of the City's confidence in all avenues of the communications business.

The agency believes it is in the top 10 sales promotion companies in the UK (there are said to be 26 companies with a turnover of more than £1.3m) and reports a turnover (to year end March 1985) of about £2m. Among its clients it includes Rowntree Mackintosh, Gallaher, Lever Brothers, Ross Foods, Mattheson Meats, Nabisco, TSB England and Wales, and Palitoy.

Charles Parsons, finance director, comments: "It's a marvellous way of expanding our creative team and . . . these people don't come cheap." The agency's goal now, he says, is a placing on the stock market in about three years.

Feona McEwan

THE ARTS

Cornelis Troost's "The Dilettanti," at the National Gallery

National Gallery/David Piper

Mind the gaps, please

When the National Gallery of Ireland was starting up in the 1850s, the National Gallery in London lent some pictures. Some 130 years later, Dublin reciprocates with a loan (until May 27) of 35 paintings of high quality.

The selection is agreeably idiosyncratic. There are no British (or Irish) pictures and few Flemish. The only "modern" painting is a richly dense chord of colour by Nolde, sonorous with reds, yellows, pinks, violets and greens. It was bought last year and is witness, among other things, to a relative affluence following the shower of gold from the success of My Fair Lady that enriched G. B. Shaw's bequest of part of his royalties to the National Gallery of Ireland.

It also is one of several items that — besides being superb paintings—obviously are chosen to point to gaps in London's permanent collection. The English public came very late to German expressionism (if, indeed, they ever have come to it), and its greatest but most rare founding father, Grünewald, is unlikely ever to be represented in Britain's capital. One wonders if the inclusion of the Nolde here may be, perhaps even subconsciously, a signal from the National to the Tate that it is becoming interested in an area of art that has until now belonged to the latter.

Works by other artists not represented in London's National Gallery include a very large Castiglione, handled with the copious sweeping assurance of the high Baroque of the artist's own time in the mid-17th century, yet also with a subtle and succulent delicacy that suggests 18th-century rococo. It shows a ravishingly improbable shepherdess chancing upon the abandoned infant Cyrus, and is probably Castiglione's masterpiece. Then, there are a formidable Orazio Gentileschi of David about to decapitate the prostrate Goliath with the giant's own huge sword; and two crystalline views of Dresden by Canaletto's nephew, Bellotto: fretted spires and domes serene in a northern clarity, mirrored in a tranquil Elbe, almost painfully innocent of any foreboding of holocaust by fire bomb 200 years later.

Of course, there is representation of some of the greatest names — Mantegna, Titian, Veronese, Poussin, Rubens, Rembrandt. The latter's little *Landscape with the Rest on the Flight into Egypt* has long been my favourite image of that oft-painted subject, the figures huddled in firelight glowing in the heart of darkness. Beyond doubt, it is a variation by Rembrandt (and I see no reason to doubt his signature on it) on a theme by Elsheimer; yet for me it is one of the most mysterious and haunting of Rembrandt's visions.

This apart, the Dutch School is represented by minor masters except for a large, characteristically fresh and airy landscape —with a group of horsemen outside an inn—by Salomon van Ruysdael. Frans Post, who cornered the Dutch market in the mid-17th century for views of Brazil, has a typical example featuring exotic palm trees and fauna and picturesque natives, but composed according to earlier Netherlandish traditions and with a distance verdured in an astonishing bright blue. By contrast, an interior view into the spiral staircase tower in Utrecht Cathedral by the very obscure J. G. van Hasselt is a little masterpiece in the subtlety of its modulation of light in and out of shadow, its sensitivity to textures of stone, and the compelling enigma and silence of its human subject matter: a seated man in the foreground, eyes cast up as if in a rigid apprehension, with a woman glimpsed on the turn of the stair below. A former attribution to Vermeer was not frivolous.

In an entirely different mood, English visitors may well be delighted by a splendid example of the work of Cornelis Troost, showing two gentlemen of fastidiously exquisite dress, one with a flute, seated in a most civilised and sophisticated interior. The Dutch 18th century has until recently almost sunk from sight in the overwhelming wake of the masters of the preceding era. Troost, however, who died in 1750, always has remained a favourite in Holland; yet in England — even though he has been called the "Dutch Hogarth"—his work is almost unknown, so the brilliance of his draughtsmanship, his colour and his characterisation may come as a surprise to many.

There are only two Spanish paintings. One is a male head and shoulders, i's subject the cause of argument. Its artist's identity also is queried by some, yet a certain nervous intensity of expression seems entirely characteristic of Goya. The mood of the *Stigmatisation of St Francis* is entirely and eloquently that of El Greco, the saint almost levitating in spiritual aspiration. It is a kind of El Greco not much represented in Britain, but one that is richly to be seen in American museums. It is, of course, a theme on which El Greco and his studio performed many variations; and the showing of this and of the Goya in the London context may offer occasion for a closer analysis of the exact status of the two pictures.

Such a consideration doubtless lies behind the choice of several paintings in the show. The Poussin *Lamentation* is one; starkly hieratic though it is, it seems likely to compel the attention of specialists rather than of the public — London is not short of Poussins. No one, however, can have second thoughts about the desirability of the ravishing Tiepolo allegorical sketch to supplement others in the London holding. Nor should anyone refrain from pleasure at what is avowedly an art-historical curiosity: the only signed painting by G. B. Passeri, revered by art historians but primarily a recorder of the lives of artists in 17th-century Rome. It depicts an *al fresco* banquet, with music; and while it is not at all a great painting it has compelling charm, not least in the rather dotty way all those present are discharging significant glances at undisclosed targets as if arrows at a venture.

And the German School is strongly represented, even if no Grünewald, by three early portraits: two by C. Faber in the very literal, almost naive, yet enormously skilful, style in which Teutonic artists fixed their sitters unblinking for posterity; and one — in most sophisticated contrast — by Georg Pencz, in which the lesson of the Italian Renaissance has been convincingly and masterfully absorbed.

In the introduction to a handsome souvenir volume (£5.50), the two gallery directors concerned have a graceful exchange of compliments. Indeed, the director of the Irish gallery, Homan Potterton, records Disraeli welcoming a deputation from the Dublin institution in 1858 "with very great pleasure—on a subject so agreeable." Londoners of 1985, enjoying this loan, may well echo Disraeli's sentiments.

Alastair Muir

Kayoko Shiraishi in "The Trojan Women," performed by the Suzuki Company, which opened at London's Riverside Studios last night

In the Belly of the Beast/Los Angeles

B. A. Young

Jack Henry Abbott, who originated *In the Belly of the Beast*, will be remembered as the multiple killer and life-long convict whose prison writings persuaded Norman Mailer to help expedite his release, whose account of prison life was published three weeks later, and who three weeks after that knifed a waiter he thought was insulting him.

Abbott's book was adapted for the stage at Providence, Rhode Island, by Adrian Hall, and this adaptation was re-adapted for the Mark Taper Forum, Los Angeles, by Robert Woodruff, who now directs this horrifying, hypnotising play. The text consists mainly of extracts from the book. It is a monodrama for Andrew Robinson as Abbott—a very fine performance that blends the beastliness of the material with a consciously literary manner and an evident desire for sympathy. Mr Robinson has made himself look very like Abbott, who—away from prison—might pass for a typical bespectacled young writer in his 30s.

Two other players, Andy Wood and Carl Franklin, fill in background information with their detached presentation of extracts from Abbott's trial for killing Richard Adan, the waiter, and various relevant interviews. The staging is austere, almost diagramatic. Why it is accompanied by half a dozen television monitor screens above the stage is something I could not guess. The set designer is John Ivo Gilles.

The only killing shown in any detail is that of Adan, and this only in a mosaic of connected moments. But elsewhere we have demonstrations, almost as in a lecture, of how to kill a prison officer—the kind of knife to use, the footwork, the aiming.

In prison, we are told, any dispute is bound to end in killing. If all Abbott's stories of prison life were reliable, this wouldn't be surprising. He gives us such appalling matters as being hung by his hands and feet in a solitary cell; of confinement in a dark cell (for which the theatre is plunged into total blackness for over a minute) and in a "strip cell," which is virtually a big, unflushed lavatory bowl; of the starvation diet that makes men eat crushed cockroaches with their bread ration. Abbott passed the greater part of his life in confinement, having first been committed to a juvenile detention centre at nine years old. In such circumstances, his ungovernable temper might be explained, if not excused.

But at various times he admitted that some of his stories were not true. What seemed to be an atrocious condemnation of the U.S. penal system was at least partly the output of a fertile obsession with cruelty, and this demand for sympathy. It is not the concern of this production to determine how far we may follow Abbott's indications. It ends with two summings-up from the Adan trial, for the defence and for the prosecution. We leave the theatre free to reach our own verdict.

Abbott is now serving a 15 years to life sentence for the Richard Adan killing. He is writing another book.

The Secret Agent/Bridge Lane

Martin Hoyle

The little Bridge Lane Theatre in Battersea is playing host to Incubus Theatre, seven actors who between them people Joseph Conrad's turn-of-the-century London in Jonathan Petherbridge's choppy and disjointed adaptation of *The Secret Agent*.

The direction, again by Mr Petherbridge, may be responsible for this impression, since it entails much self-consciously brisk marching on stage fizzing out in stilted delivery. Attempting to create a mood of quiet intensity, the production merely imparts a monotony of pace and woodenness of expression to the cast, even when two scenes are played simultaneously as in a split-screen film sequence.

Exceptions include Sally Greenwood whose Winnie, unsuspecting wife to the bungling agent provocateur who causes her half-wit brother's death, is touchingly simple in her restraint—presumably the effect the producer had in mind for the whole company—and Keith Casburn's calmly dedicated assistant commissioner, a sociable smile patently disguising ruthless efficiency.

The unifying element in this bitty and diffuse narration is provided by Jessica Higgs, seated at the piano onstage when not acting, and playing attractively ominous background music.

Not even this can knit the performance into a whole, however. The company are variable in their response to the dialogue; and when Giles Oldershaw reads the book's description of Winnie's feelings after murdering her husband in revenge, one aches for the stylishness of the original as much as for Mr Oldershaw's inexpressive and, sometimes one suspects, uncomprehending drone. Very ambitious; but in this case adding nothing whatever to the novel.

Orkney set for 8th St Magnus Festival

Orkney's annual St Magnus Festival will open on June 21, once again under the artistic direction of Peter Maxwell Davies, who founded this event eight years ago. The five-day festival will open with a concert of choral and instrumental music in the 800-year-old cathedral of St Magnus in Kirkwall.

The Scottish Chamber Orchestra is to give two concerts and the Fires of London, founded by Davies, will make a return visit. This year's celebrity recital will feature the cellist Ralph Kirschbaum. Visits by two Norwegian chamber choirs will bring to the fore Orkney's cultural links with that country.

New music commissioned by the festival includes a piece by the Edinburgh composer Edward Harper.

The play to be presented will be Brecht's *The Caucasian Chalk Circle* and there will be an exhibition of works by Ben Nicholson.

Colin Carr/Wigmore Hall

Paul Driver

A concert of three consecutive Bach cello suites needs to be played with spectacular insight if everyone's attention is to be held and the atmosphere is supposed to be other than one of reverential listening. Colin Carr, who on Tuesday gave the second of two such concerts in the Wigmore Hall, hasn't really the insight—though he has abundant and assured sensitivity—or, in spite of a large technique, the capacity really to produce a spectacle. Thus, one felt that his last suite, No 6 in D (originally written for a five-string instrument), was just beyond his grasp when it should have been bringing the house down.

The famous gavottes needed a more leisurely panache; they merely spluttered into eloquence. And Carr made rather heavy weather of his Sarabande and only a moderately moving account of the second movement Allemande. The pair of minuets in the preceding suite, No 2 in D minor, were a better example of his discretion and skill; he ushered in the keychange to the major that comes with the second, and did not over-emphasise it, though it was the only change of key within any of the evening's three works.

The Prélude of No 2 had a nicely meditative lilt, undone by Carr's decision to stick to the score at the end and play the block chords literally rather than as the continuing semiquaver pattern for which they are probably a shorthand. (He also studiously observed repeats throughout the concert.) His Sarabande in this suite got more and more mournful. I enjoyed much in the first item, Suite No 4, in the hard key of E flat; but even at its most articulate I could not find Carr's approach to Bach spontaneously characterised or compelling in force.

Faust/Vienna State Opera

Andrew Clark

Four years and seven productions after his first operatic adventure, it is now possible to draw some conclusions about what Ken Russell has to offer the lyric theatre. However infuriating some of his antics, there can be no doubt that he realises his chosen conception of a work with consummate skill: there are no loose ends, no hints of under-rehearsal, no suggestion of archetypal "operatic" characterisation of leading principals—or, for that matter, by anyone in smaller roles.

Every Russell staging gives a vivid role to the chorus, and he has shown a knack for choosing designers who can match his own maverick imagination with a flair for stageworthy and stimulating decor. Nor can one ignore that each of his productions has sold out. All these characteristics are true of the new production of *Faust* at the Vienna State Opera.

However attractive such attributes may be, Russell is clearly someone who has to be handled with extreme caution by theatre managers if they have any wish for the opera programmes they promote to be associated with the word "art." Few would deny that there is a place for new insights into old classics, that entertainment plays an important part in opera, and that people like Russell can occasionally bring an unstuffy viewpoint from outside the industry. But a line has to be drawn somewhere, if an evening's opera is not to disintegrate into a string of gratuitous effects.

Originally commissioned to stage *Eugene Onegin* by Lorin Maazel, who had admired *The Music Lovers*, Russell was then asked by Maazel's successor, Egon Seefehlner, to tackle the Gounod opera, which has been out of the State Opera repertory since 1977. It was a fortuitous change: Russell seems unable to take himself, his operatic material or his audience very seriously, spelling disaster for any composer like Puccini or Chaikovsky in whose work sentiment or Romantic passion play a prominent part. Most of what we would call the 20th century repertory, as well as anything falling under the term *opera buffa*, can hope, on the other hand, to escape the worst effects of Russell's assault.

Gounod's opera on the Faust theme enjoys this exception, too: the Romantic element is subordinate to the diabolical, and the story's expression of macabre pleasure at the destruction of innocence seems to have engaged Russell's imagination profitably. Nothing is sacred, of course, least of all the crucifix, which is the object of much black humour.

Carl Toms' decor was both picturesque and dramatically effective, especially in the cathedral scene, which Russell developed as a spectacular climax to the whole evening. And his choice of an early 19th century setting gave the production a framework that was conventional in the best sense, putting to flight those hoping for another opera scandal.

But there is one major reservation which has weighed heavily on each of Russell's opera productions and on much of his other work. And that is the question of taste, or rather lack of it. The revue style of choreography which Russell used in his Rossini production last year in Geneva could be tolerated in the context of *opera buffa*, but, with the exception of the nuns-to-demons transformation in the cathedral scene, a contemporary troupe has no place in *Faust*, especially when the dance routines are of the variety you might expect an American free expression college teacher to devise.

Putting these reservations aside, the production was musically a success. The playing of the Vienna Philharmonic Orchestra under one of its concert-masters, Erich Binder, was predictably superb, although the reading itself could have enjoyed more personality. The technical assurance of Gabriela Benackova's Marguerite impressed; her stage personality is still something of an Identikit. Francisco Araiza was an acceptable Faust, but the squeaky top to his voice indicates how much he is forcing it. Bernd Weikl, a late arrival as Valentin, was irritatingly self-regarding. The chorus was outstandingly good, as was Ruggero Raimondi, who had sung Mephistopheles in the old production, and on this occasion held the evening together with his finest powers of vocal and dramatic characterisation.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 5-11

Exhibitions

NETHERLANDS

Amsterdam. Stedelijk Museum. La Grande Parade (named after the painting by Leger) is a feast of highlights in international painting after 1940. Forty artists are represented with 250 works loaned from all over the world. The show is designed as an encounter between the late creations of patriarchs like Matisse, Picasso and Braque and works by the outstanding representatives of subsequent generations (De Kooning, Bacon, Pollock, Giacometti, Rothko and many others). Theory, for once, takes second place, leaving the art to speak for itself. On the ground floor is an impressive gallery of photo portraits of the artists exhibited. Ends April 15.

Amsterdam, Van Gogh Museum. A large selection from the holdings of the city's Stedelijk Museum provides a comprehensive survey of the "Dutch identity" in art since 1945: from Cobra and the Informal Group, via Zero and conceptual art, to the New Realists and the exuberant expressionism of the emerging generation. Ends April 15. (The permanent Van Gogh exhibition has moved to the top two floors for the duration).

TOKYO

Leonardo da Vinci Nature Studies: 50 drawings on loan from the Royal Library at Windsor Castle concluding a travelling exhibition in Europe, U.S., and Australia. The exhibition has been designed by Paul Williams, designer of the Renoir at the Hayward Gallery, London. Seibu Museum of Art, Seibu Department Store, Ikebukuro. Ends May 12.

Japan a Hundred Years Ago: Photographs from Edward S Morse Peabody Museum Collection. A superb documentation of pre-modern Japan capturing town and country life touched up with colour for more realistic impression. Tobacco and Salt Museum, Shibuya. The location, a bustling and fashionable area for the affluent young, exemplifies the remarkable changes Japan has undergone in the last century. Ends May 6.

BRUSSELS

Palais des Beaux Arts: Felicien Rops – drawings, paintings and watercolours – a mixture of the macabre and erotic, skeletons and sex. Ends Apr 28.

WEST GERMANY

Berlin, Schloss Charlottenburg, Spandauer Damm, Neuer Flugel: Berlin is putting on the biggest exhibition of Antoine Watteau to commemorate the 300th anniversary of his birth. The National Gallery of Arts, Washington, the State Museum of France and the administration of Berlin's castles are sponsoring the show. The French rococo painter often used poor quality colours, therefore many of his paintings are in a bad condition and have not been displayed before. The exhibition includes 73 drawings and 143 paintings. Ends May 25.

Köln, Kunsthalle, Josef-Haubrich-Hof 1: "Ornamenta Ecclesine." To underline the importance of the romanesque churches, the Cologne Schnüttgen museum has organised an exhibition of roughly 600 religious works ranging from 11th to 13th century including illuminated manuscripts and gold artifacts. Ends June 9.

Hanover, Sprengel Museum, Kurt Schwitters-Platz: Works from 1885 to 1954 by the French artist Henri Laurens, to commemorate the 100th anniversary of his birth. Through his friend George Braque, Laurens discovered cubism in 1911 and became popular in France. In 1969 the German industrialists Bernard Sprengel, a Laurens enthusiast, gave his entire collection to Hanover. The works include 115 sculptures, collages, paintings and graphics. Ends April 28.

NEW YORK

Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 World Fair in Paris demonstrate the show's theme of Revivals and Explorations in European decorative arts. Ends Sept 5.

Museum of Modern Art. The first comprehensive retrospective of Henri Rousseau, including 60 works from as far away as Prague, show the masterful playfulness of the Paris toll collector who brought together man and nature at their most benign and intriguing. Ends June 4.

Treasures from the New York Public Library: 260 works chosen from one of the five best library collections in the world may cover America better than Europe, but the inclusion of a Gutenberg Bible, the Tickhill Psalter and French bindings supplements Americana, such as examples of Melville's work, announcements of the discovery of New York, and one of the earliest globes. Ends May 24. (42nd & 5th Av).

WASHINGTON

National Gallery. Ancient Art of the American Woodland Indians includes 151 pieces covering 5,000 years of sculpture, ceramics, copper and shell objects of the native Americans who lived in what is now the eastern half of the U.S. Ends Aug 4.

LONDON

Renoir – a survey of the life's work of the artist who, more than any other, has come to be seen as the quintessential Impressionist. Yet this easy labelling is now shown to be a gross and misleading over-simplification. In Renoir, once the label falls away, we find a wonderfully instinctive painter, aware of what his fellows were doing and responsive to it, but never the creature of theory, analysis or programme. The later works, hitherto considered so difficult, stand as major works in their own right. Organised by the Arts Council and sponsored by IBM, this fascinating and beautiful show goes on to Paris, where it will be much extended, and to Boston. Ends Apr 21.

The Tate Gallery: St Ives – nominally a survey of the painting, sculpture and ceramic art to have come out of farthest Cornwall between 1939 and 1964, but really extending its scope from the early 1920s up to almost the present day. Ben Nicholson and his wife Barbara Hepworth are the central figures, also the early naive painter Alfred Wallis. Of the later generation, Peter Lanyon, Roger Hilton, Terry Frost and Patrick Heron appears as major figures. Ends Apr 14.

PARIS

Impressionism and the French Landscape: The exhibition, conceived to coincide with the Los Angeles Olympics, treats the Impressionists' favourite subject matter from an unusual angle. The 125 paintings by the great names of the movement and by Manet and the Post-Impressionists, are divided according to themes. Rural countryside forms one group and the means of transport another, as do urban landscapes and the maritime universe. All show how the artists interpreted the traditional image of France and the modern one which developed in the wake of industrial progress. Grand Palais (260 3926). Closed Tue. Ends April 22.

Hans Holbein the Younger (1497-1543): Thanks to the acquisitions by Louis XIV, the Louvre boasts one of the richest and rarest collections of the court painter of Henry VIII. Five of his masterpieces, portraits of Erasmus and Anne of Cleves among others, retrace his artistic development, accompanied by several drawings of equally prime importance. The exhibition is completed by paintings from the royal collections thought, mistakenly, to be by Holbein. Louvre, Pavillon de Flore, Porte Jaujard (260 3926). Closed Tue, Ends April 15.

ITALY

Rome, Galleria Nazionale d'arte Moderna: Aubrey Beardsley (1872-1898) (in collaboration with the British Council). Beardsley is described by the organiser as "one of the most subtle exponents of European *fin de siècle* decadence" – but one is far more impressed by the simplicity and directness of his style and the rare combination of irony and sensuality. In a career which lasted less than six years, he invented a brilliant series of new styles: from the delicacy and intricate detail of the series of illustrations for The Rape of the Lock to those for Oscar Wilde's Salome (which made him notorious). Ends Apr 28.

Venice, Museo Diocesano d'Arte Sacra: Art and Archeology in Istria. More than 500 objects from the archeological museum in Pola, from the pre-historic age, up to the time when the Istrian Peninsula came under Venetian influence. (Closed Tue). Ends Apr 14.

Turin: Palazzo Reale: Indian miniatures from the 17th to the 19th century entitled Life At The Court of Rajasthan. The paintings come mainly from the Victoria and Albert Museum and the Museo Rietberg in Zurich. Ends May 22.

Saleroom/Antony Thorncroft

An auctioneer's dream

A drawing of a horseman visited by an angel, which Christie's had catalogued tersely as German School, 1531, and estimated at £1,500 to £2,000, was bought by London dealer Baskett and Day for £144,400 yesterday in an auction of Old Master drawings.

The price underscored the growth of scholarship in this sector. Obviously Baskett and Day, and the under-bidder, thought the drawing was of a high-enough quality to rate a known artist as its creator, and have attributed it to Wolf Huber. Even in a field where new discoveries are always being made, the sudden appreciation in value is quite extraordinary; and two keen bidders for such an item is an auctioneer's dream.

All told, Christie's sale brought in £647,265, with just 6 per cent unsold.

A drawing by the 18th century French artist Moreau le Jeune, entitled "N'ayez pas peur, ma bonne amie," sold for £97,200. It was also bought by Baskett and Day. The drawing was engraved in 1775 for the series "Monument de Costume," which illustrated the life of "une femme de bon ton" with accurate descriptions of costumes and furniture. The price was well over twice the pre-sale estimate and compares with the £7,000 it fetched at Sotheby's in 1959.

The auction confirmed the present strength of demand for Old Master drawings. There was only one major disappointment, a sketch of a youth by Il Parmigianino, which was bought-in at £28,000. This apart, estimates often were comfortably exceeded.

Sketches by Gabriel de Saint-Aubin on both sides of a sheet of paper more than doubled their top estimate at £23,760 and two saints, attributed with some confidence to Pellegrino Tibaldi, made £21,600, almost double the top estimate. They are not in his style but could well be an early work when he was influenced by his teacher, Innocenzo da Imola.

"The Holy Family" by Giovanni Tiepolo was just on target at £20,520; in 1972, it sold at Christie's for 6,000 guineas. "A procession at Monte Gargano" by Beccafumi was bought for £9,720, as was "The Holy Family" by Il Guercino.

★

It is some time since some really good African tribal art appeared on the market but 50 selected items come under the hammer on June 24 at Sotheby's, including a rare early 14th century Benin bronze head of an Oba (king), one of only 21 known from this early period. A similar head sold at Sotheby's in 1930 for £200,000.

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Thursday April 11 1985

Trade at the eleventh hour

THE coming round of international meetings, starting with the Group of Ten in Paris this week, and culminating in the Bonn summit in May, could be the last chance to prevent grave damage to the liberal trading system which has done so much for world prosperity in the past four decades. The most obvious danger point is the U.S., where the pains of an over-valued dollar are creating something like a protectionist consensus, which fortunately does not yet embrace the White House.

The immediate crisis concerns Japan rather than the outside world in general. Impatience with Japan's obstinate bureaucratic protectionism has reached the point where even such irreproachable liberals as Mr Rimmer de Vries, the influential chief economist of Morgan Guaranty, recommend a discriminatory surcharge against Japanese imports as a bargaining ploy. Others would regard it as protection, and wish for less discrimination.

Protectionism

It may already be too late to head off this particular threat: the fact that the Japanese authorities are seriously considering a pre-emptive tax on their own exports is telling. The problem then—as with the similar strategy of disarmament-through-strength—will be to ensure that this is indeed a bargaining counter and, that the objective remains unchanged; in other words, to avoid retaliation and proliferation. Since the calls for protection are pressing, and trade negotiations are almost glacially slow, optimism would not be realistic.

In an effort to remind the players of the stakes, the OECD secretariat has rushed out its two-year study of the actual results of protectionism, which has in any case been spreading across the world of trade like an insidious fungus for the last decade. This is a telling document in its way, showing that protectionism tends to raise prices—especially of the goods bought by poor families—to inhibit growth and investment through enhanced uncertainty, and to prevent debtor countries from earning their way back to solvency.

Quantitative restrictions and voluntary restraints, which have been the main fashion, are especially damaging—so much so that it might be worth as a first step amending the Gatt to permit temporary surcharges alone, and ban quantitative restrictions of all kinds. The study should certainly help convince any government in a developed country which has forgotten it that the protectionist "cure" is usually worse than the disease. It might encourage other governments to follow the Australian example, and publish regular official figures showing the cost to the electorate in general of protecting small constituencies, and so support a consensus for free trade.

However, this sort of analysis on its own is likely to be about as effective as a well-reasoned CND pamphlet in securing world disarmament. What is missing from the published OECD analysis (but certainly not from the secretariat's other published and unpublished thoughts) is what has driven the U.S. down this known dead end—what, in other words, has produced the gross trade imbalances and misaligned and volatile exchange rates which so hamper liberal trade. As in the 1930s, it is the breakdown of economic and monetary order which is undermining the trade regime.

To tackle these troubles means nothing less than an effort to revive the basic understanding—not the institutions, but the analysis—which underpinned the Bretton Woods currency system and foundation of the Gatt and the IMF. This was simply the acknowledgement that stability could only be achieved if all countries followed internationally responsible economic policies, tested by the progress of their "basic" balance of payments—current and investment capital taken together. A return to such policies—aiming, notably, to eliminate the huge structural imbalances in the U.S. and Japan—would tend to produce stable and manageable exchange rates in its train. Protectionism is simply an effort to get the results without the adjustment, and it will not work.

This is a simple proposition, but it will not be easy to win support for it. Deficit countries will blame anything—notably the exchange markets—rather than their own excessive borrowing for the growth of their debts. Surplus countries regard their national thrift as a virtue, even if it is disruptive. Everyone is out of step except our Ronnie, or Yasuhiro, or Helmut, or Margaret. But the effort must be made. If responsibility and neighbourliness are not now put at the top of the agenda, it may be too late.

State of siege in Chile

THE POLITICAL map of South America has undergone a considerable transformation in the past eighteen months, with developments in Brazil, Argentina and Uruguay shifting the balance away from the dominance of military regimes and dictatorships to democratic government. Only three military dictatorships remain: those of General Pinochet in Chile, General Stroessner in Paraguay and Commander Bouterse in Surinam.

General Stroessner in landlocked Paraguay and Commander Bouterse in the thinly-populated former Dutch colony of Surinam count for little in bucking this trend towards elected governments.

General Pinochet's regime in Chile, however, cannot be ignored in the same way. For Chile occupies the entire southern half of the continent's Pacific coast; it is the world's biggest producer and exporter of copper; and it owes the international financial community $20bn (£16.5bn). General Pinochet's determination to hang on to power without any concessions to an increasingly vocal and violent opposition is encouraging a dangerous polarisation in his country. This in turn threatens to make the succession to the General even more complex and potentially destabilising.

General Pinochet is due to remain in office until 1989 under the terms of the 1980 constitution which he dictated. The constitution then envisages a plebiscite to vote on an officially sponsored candidate for the presidency. General Pinochet has not discouraged speculation that he could be such a candidate.

Protests

The opposition, which today begins a new series of protests after a summer break shows no sign of being able to force General Pinochet from office. The movement is divided first between two broad coalitions representing the centre-right and the left, and then is further split by differences between the parties within the coalitions.

The centre-right coalition is focusing its attention on forcing some kind of election in 1989. The left is less patient and believes the general will never relinquish office willingly.

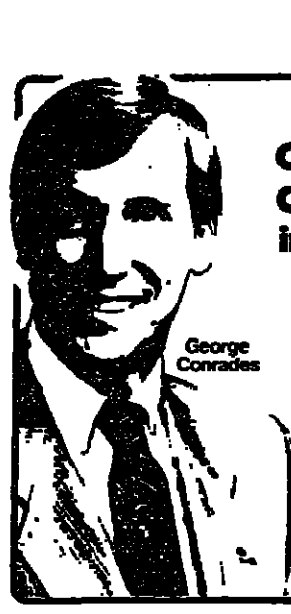
This lack of cohesion has blunted the effectiveness of the protest movement and encouraged General Pinochet to play a game of divide and rule. When the protest movement gathered momentum in mid-1983, he successfully headed off the Centre-Right parties with the carrot of political reform. Whether the offer was ever more than a means of buying time is open to doubt. Certainly all talk of political reform has since been dropped and General Pinochet has brought out the stick. He introduced a state of siege last November, which is still in force.

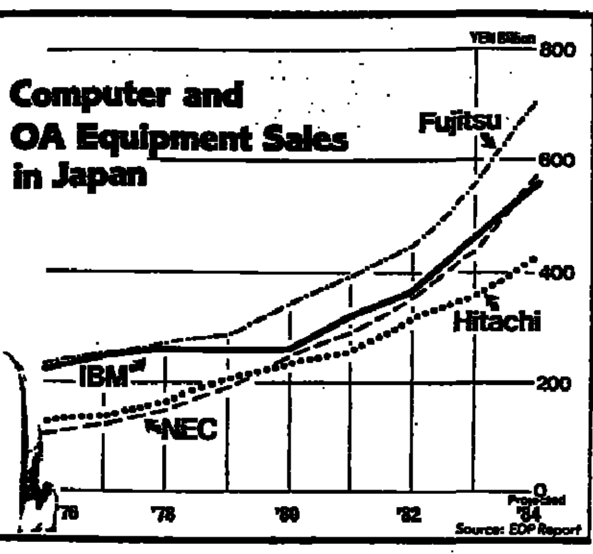
The official justification for the state of siege is to combat terrorism but the measure's sweeping powers reflect a much broader aim of cowing the opposition into silence. Violence by the radical Left has not been stopped however and within recent weeks this has begun to be matched by kidnappings and assassinations of anti-Government activists by para-military groups. This is a sinister development and the Government must make good its dissociation from these groups by finding the culprits. Otherwise even the moderate opposition is bound to harden its position.

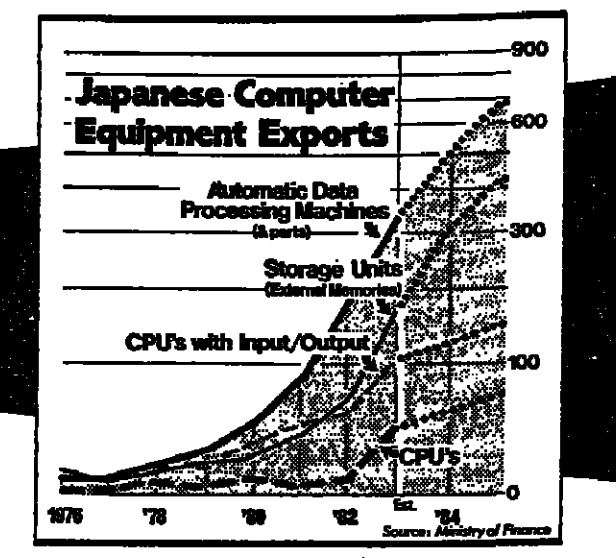
At present the Reagan Administration is on the one hand offering reassuring words of support for General Pinochet and on the other implicitly criticising the state of siege by abstaining in a vote on an IDB loan to Chile. Symbolic disapproval, however, carries little weight so long as General Pinochet feels he enjoys basic American backing. The same would apply to any gesture from Britain so long as the General believes Chile's strategic importance is useful to Britain's hold over the Falklands.

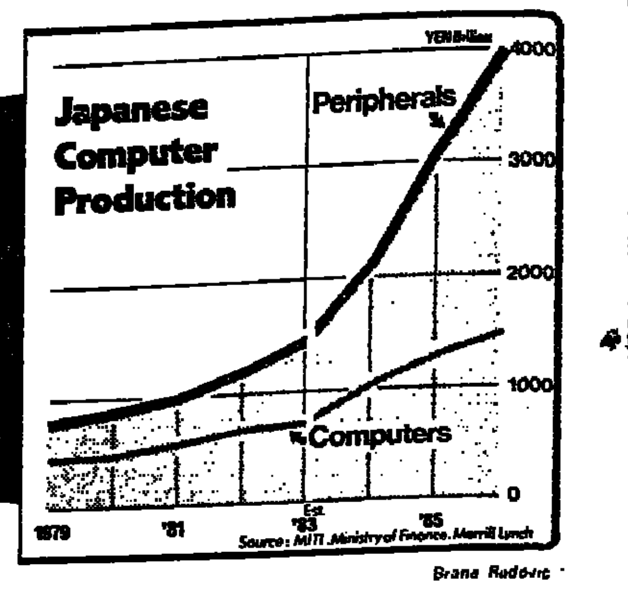
General Pinochet is liable to change his tune only if he sees the opposition genuinely united and perceives outside pressure to be real. It is up to the Chilean opposition to meet this challenge after 11 years of disparate criticism of the general. Only when this opposition has a clear-cut policy, and leadership, can they expect any fundamental change in the attitudes of such countries as the U.S. and Britain towards General Pinochet.

JAPAN'S COMPUTER INDUSTRY









Brana Radovic

Where IBM has a real fight on its hands

By Guy de Jonquieres, recently in Tokyo

"My nightmare is that we will wake up one morning later this century to find the Japanese in control of all the important parts of this industry"—a senior manager of International Business Machines' operations in Europe.

JAPAN'S phenomenal rise in the past decade as a world force in electronics has given a disconcerting plausibility to doomsday scenarios of a total "takeover" of international markets. In products from microchips to mainframe computers, its companies are not just formidable competitors but in some cases technology leaders.

If there is one western company equipped to meet that challenge across the board, it is almost certainly IBM itself. With a turnover of $46bn last year, the world's largest computer maker possesses an unmatched global spread of manufacturing and marketing resources, a driving sense of corporate purpose and an insatiable appetite for growth.

Nor has it discouraged the impression that what is good for it also suits western high-technology interests. While pressing for a negotiated settlement of the EEC competition case against it last year, its executives insisted repeatedly that any ruling which weakened IBM would hurt Europe by opening its markets wider to the Japanese.

In the U.S., where anxieties about the Japanese "threat" in high technology can sometimes reach a near-hysterical pitch, the dropping of the government's anti-trust charges against IBM three years ago was also widely interpreted as a signal to the company to fight back with all its strength.

IBM has leapt to the task, and its volleys have undoubtedly scored several direct hits. But its aim has not been faultless. Some of its shots have gone off at a tangent—and one of its biggest targets remains largely unscathed.

Most industry analysts agree that by cutting prices, shortening product cycles and beefing up its marketing, IBM has checked Japanese inroads into its estimated two-thirds share of the world market for large computer processor units.

Japanese competitors have largely failed, too, to dent western markets for personal computers, where IBM is the reigning champion. The successful prosecution of Hitachi in 1982 for the theft of IBM secrets also subjected one of its main Japanese rivals to a humiliating loss of face.

But many of IBM's western rivals have also found it increasingly hard to keep pace. Storage Technology, the leading independent U.S. manufacturer of large computer memory devices, was forced to seek protection from its creditors last year, and there has been a violent shake-out in the U.S. personal computer industry.

Ironically, many other companies are turning to IBM's main Japanese competitors for help. Amdahl, the only large U.S. company still making "plug-compatible" mainframe computers designed to use IBM

A landing of 200 U.S. executives and families

software, is 49 per cent owned by Fujitsu, which also supplies it with products and technology. National Advanced Systems, another leading U.S. supplier, now only sells machines made by Hitachi, while Honeywell aims to sell as many as 500 large computers made by Japan's NEC in the next five years.

In Britain, ICL relies heavily on technology from Fujitsu, which will also supply it with microchips and computer peripherals worth £20m this year. West Germany's Siemens, Italy's Olivetti and France's Bull also all distribute Japanese-made computers under their own names.

More worrying for IBM, though, is that it has failed to make much progress on the one front which counts most for its Japanese competitors: their own home market. Worth almost $10bn a year and second in size only to the U.S., it still accounts for well over half the total output of the Japanese industry.

IBM Japan, its local subsidiary, still has the largest share of installed computers—about 28 per cent of the total by value—but its annual sales to Japanese customers were overtaken by Fujitsu back in 1979. Though IBM Japan has grown by more than 20 per cent a year since then, achieving sales of $3bn last year, it has been unable to narrow the gap.

But changes may be on the way. In the past nine months, IBM has sent a flutter through the Japanese electronics industry by landing more than 200 American executives and their families on IBM Japan's doorsteps—one of the largest overseas personnel shifts in its recent history.

Most of them have been assigned to the recently-reorganised Asia Pacific Group (APG). According to Mr George Conrades, its Chief executive, APG will co-ordinate overall management in the 17 countries under its control, including China, which together have the fastest growing computer markets in the world.

He insists he is not dissatisfied with the recent performance of IBM Japan, which provides two-thirds of APG's revenues. "I'm crazy about them, I'm their number one cheerleader," he says. "Just because Fujitsu is market leader, I don't go home with a cloud over my head."

Nonetheless, in the last year, western managers have replaced Japanese as directors of business development, finance and planning at IBM Japan and in several other key posts. "We have to assume that APG has been set up to control the whole region—but of course IBM Japan is one of the most important units to be controlled," says Mr Takuma Yamamoto, president of Fujitsu.

Mr Ulric Weil, an experienced IBM-watcher at New York investment bank Morgan Stanley, offers a more forthright diagnosis: "The loss of market share in Japan is viewed with some concern in Armonk (IBM's U.S. headquarters). That has led to the conclusion that maybe they should play their hand a little differently."

IBM's slippage partly reflects keen price competition—its major rivals charge up to 15 per cent less for their large computers. But many analysts view as its cardinal error the delay in venturing beyond its traditional business of selling big computers to long-estabished blue chip customers in industries like banking and insurance.

These customers are accustomed to using English to operate their machines. But Fujitsu opened up an entirely new market when it began selling Japanese-language systems in 1979—a pioneering move which IBM was slow to follow. Fujitsu and NEC have also led the way in the market for small computers, which is growing at least twice as fast as for mainframe machines.

"We are getting experience in selling at the lower end of the market later than other Japanese companies," Mr Takeo Shiina, president of IBM Japan, admits. To catch up, he aims to develop more products locally—a departure from IBM's traditional policy of marketing a common product range

One of the first results is the 5550, a small computer equipped with Japanese language functions, which is said to have sold well since it was introduced just over two years ago. Since then, IBM Japan has also launched its own home computer, the JX.

To make the 5550, IBM took the unusual step of turning to Matsushita, the large consumer electronics company, which excels in low-cost mass production. IBM has recently joined forces with other local companies including the large Mitsubishi trading house to undertake software development and to expand its sales channels.

It is also poised to offer electronic "value added" information services after Japan's telecommunications industry is liberalised at the start of next month. "IBM will be the most powerful competitor of all in value added services," says Dr Hisashi Shinto, president of Nippon Telegraph and Telephone, the national telecommunications carrier.

What further steps IBM will take to fight back on the Japanese market is still unclear. Some U.S. analysts believe it will rely chiefly on the more aggressive product and marketing tactics which have worked so well in the west. Mr Weil forecasts that this will enable it to stabilise its market share, though he doubts if it can regain the number one position.

Some Japanese competitors are more dismissive. "This is different. This is Japanese

Japan's toughest challenge will be in software

society, not U.S. society," says Dr Koji Kobayashi, chairman of NEC. "Who can sell here speaking English?"

In fact, IBM's local presence goes back a long way. IBM Japan was formed in 1937 and today has two plants and extensive research and development facilities. It employs 15,000 staff, the vast majority Japanese.

However, in a market where nationalistic feelings often run high, it is still widely viewed as an outsider—particularly since the Hitachi lawsuit 2½ years ago. Mr Shiina, who was only told of the case after it was brought, says it caused a sense of "guilt" in his own company and led to a torrent of public abuse. Today, he says, IBM still has something of a "gai-jin" (foreign) image.

In the longer run, however, many other factors will determine the balance of advantage. In terms of product technology, Japanese manufacturers are still clearly very much in the race. Hitachi has already unveiled a new large computer to match IBM's latest top-of-the-range Sierra machine announced a few weeks ago, and Fujitsu plans to follow suit soon. Japanese companies have also rapidly increased exports of peripheral equipment

IBM can still spring plenty of surprises, though. Its Japanese competitors are currently puzzling over how to match a powerful new "supercomputer" which IBM is thought to be developing. Hitachi is unsure whether to design a rival machine around existing microchip technology—or risk waiting until much faster chips become available in the late 1980s.

Outside the U.S., IBM's marketing resources also give it a clear advantage. Lacking their own overseas distribution channels, its Japanese rivals rely heavily on selling to or through foreign computer companies. This cuts down their overheads but also often keeps them at one removed from their final customers.

Industry analysts agree that the toughest challenge of all will be in software, where Japanese manufacturers are investing heavily to try to catch up. Though ahead of IBM in developing Japanese-language systems, their applications software—the programmes which tell computers how to perform practical tasks—is still widely regarded in the west as primitive and cumbersome.

Many Japanese businesses still use computers mainly for basic "number-crunching." When more sophisticated "problem-solving" software is needed, it is often written specially for individual customers and is virtually unsaleable to a wider market.

It was largely for this reason that Fujitsu and Hitachi chose originally to base their international expansion on IBM-compatible machines. But, as they have learned, that also exposes them directly to retaliation by IBM, which has recently cracked down on them over use of its software.

Both companies are now looking closely at alternatives which would take them out of IBM's direct firing line. These include adoption of the Unix computer operating system developed by American Telephone and Telegraph and of non-IBM "open" standards being championed in Europe.

Such moves would also involve risks and disadvantages. The amount of applications software designed to use Unix is still limited, and the task of writing "open" standards not yet complete. Many industry experts believe that for the foreseeable future, Japanese manufacturers will have to rely primarily on their excellence in computer engineering and production to compete with IBM outside their home market. But the race has a long way to run yet.

Men and Matters

Constable walks BIM beat

If John Constable's career had developed as it started he might have found himself in the front line of the recent punch-up between the National Coal Board and Arthur Scargill.

Instead he is to be the new director general of the British Institute of Management, representing 76,000 British managers, after a distinguished career in business education.

Constable, aged 49, from Durham, joined the NCB 31 years ago as a management trainee and worked underground in the Durham coalfield.

He went on to Cambridge and to read mining engineering at the Royal School of Mines, London, and then to Harvard Business School. After a spell lecturing at Durham University Business School he became visiting professor of Business Policy at Lausanne, and then a professor at the Cranfield School of Management. Since 1982 he has been director of Cranfield responsible for both the academic leadership and the management of the school.

Constable has not neglected his management skills while in academe. He has been involved in the creation of two companies in the past six years, and one of them now has a turnover of more than £2m.

The BIM has been motoring quietly and competently for the past few years with Roy Close in the director general's seat; it has stuck to its non-political role while the Institute of Directors and the Confederation of British Industry have engaged in titanic political struggles to emerge as the top institution speaking to the Government on behalf of British industry.

The non-political constitution of the BIM will prevent Constable from making any bold alteration in course. But he gives the impression that he would like the institute to have a higher profile in future. He says "if the nation's management does not function properly the nation will not be in very good shape. Management must help to develop itself—and it is here that the BIM can help."

As a BIM member himself for more than 20 years he knows his way round the sweetshop. "Yes, we have to raise our public image. But we will not make a noise for noise's sake. . . ."

Job for CERN?

CERN, the European laboratory for particle physics which runs an enormous underground particle accelerator near Geneva, costs its member states around £200m a year — and the bill is rising annually.

For most members it is the only place in Europe where their scientists can practise the esoteric art of atom-smashing.

Anxious that Britain should know how its current £35m annual subscription (shortly to be raised) is being used, CERN asked John Dowell of Birmingham University, a member of the CERN science policy committee, to write a stirring article about the "Wealth of valuable spin-off across a wide area of modern high technology industry" for the monthly CERN Courier.

Dowell has produced an impressive list ranging over industry and medicine. But he does not hint at the one spin-off from atom bashing that is making world headlines — the idea of accelerators being used as "speed-of-light" weapons in Star Wars defence scenarios.

The U.S. and Russia have already built accelerators which shoot thunderbolts of energy capable of downing a bird at short range with the present state of the art—and, perhaps, a missile after development.

The strongest political case for keeping CERN in business may turn out to be the installation's usefulness as an insurance that European governments can keep abreast of some of the science of Star Wars.

Such a role for CERN will certainly cause some raised eyebrows among the strictly neutral Swiss.

"I don't mind taking a drug test—just as long as they don't bring in a breathalyser"

Old money

Old concerns in the financial world die hard. Particularly the fear of going bust.

Phillips, the London auction house, is about to offer for sale a selection of books revealing that little has changed in City thinking in the last 200 years.

One volume ("titled soiled") presents A Plan for the Payment of the National Debt, dated 1816. Then there is Consideration on the Present State of the Nation as to Publick Credit, Stocks, the Landed and Trading Interests, dated 1720, and Desultory Reflections on Banks in General in 1810.

By 1840 we had An Inquiry into the Causes and Pressure on the Money Market during the year 1839, while 20 years on came a treatise on the Probable Fall in the Value of Gold.

Further evidence of the perennial nature of our obsessions comes elsewhere in the catalogue in the form of An Appeal on one half of the Human Race, Women, against the pretensions of the other half, Men. Dated 1825, this early precursor of Anna Ford's "Men" evidently fell a little flat. According to Phillips, it "lacks front."

Banking Royally

The latest issue of Moneycare, the customer magazine put out by National Westminster Bank, is proving even more popular reading than usual.

That is because Natwest has decided to follow the old axiom of the popular papers that you really can't lose with a Royal Family story.

The cover article is on Royal Family Finance complete with a picture of the Queen and her dogs.

Natwest, you may recall, is in an authoritative position on this subject, as it happens to own Coutts, the Queen's bankers.

But don't expect any great revelations. Apart from a reference to the fact that the £5m Civil List "doesn't go anywhere near the Queen's personal bank account," NatWest keeps confidences most loyally.

It does, however, lend some credence to unofficial estimates of the Queen's personal wealth by saying they range "up to £2,500m."

Choice words

"Gentlemen prefer bonds"—Andrew Mellon.

From Great Business Quotations, compiled by Jim Fisk and Robert Barron.

Observer

ECONOMIC VIEWPOINT

A 13-point case for joint tax cuts

By Samuel Brittan

THE Finance Ministers of the developed world will be seeing each other in the next few days in Paris, Palermo and Washington at meetings of the OECD, EEC, IMF and their various offshoots. The culmination (or anticlimax: call it what you will), will be the Western Summit of heads of government in Bonn on May 2.

It is surely time that at their orgy of meetings, Finance Ministers stopped congratulating each other on their domestic firmness, and commiserating with each other in the ghastliness of their spending colleagues, and instead agreed on some concerted activity to justify the taxpayers' money involved in their journeys.

One subject for action is staring them in the face, namely concerted tax cuts in most of Europe and Japan. They should not be put off by the thought that such cuts might be mildly popular—except in masochistic Britain where a thoroughly "wet" media and Parliament have induced guilt feelings among citizens about keeping slightly more of their own earnings.

There is a number of reasons for making tax cuts at this particular time over and beyond what public expenditure economies can justify. None of them is on its own compelling. But together they add up to a very strong case.

1—The growth of demand in money terms has been on a marked downward trend in the EEC (from 16 per cent in 1976 to less than 8 per cent estimated for 1985). Such prolonged downward pressure has almost certainly exacted a cost in jobs. In most countries inflation is low and stable enough, to at least justify easing the downward pressure on Nominal GDP growth. Where public expenditure is under reasonable control this might also mean not trying to reduce Government borrowing further, and switching the emphasis to tax cuts.

2—In two important countries, Germany and Japan, where inflation is about 2 per cent per annum (not to mention smaller countries such as the Netherlands and Switzerland), Nominal GDP growth is lower than it needs to be to take up the slack. If these strong countries cut taxes substantially—in Germany it would mainly mean bringing forward cuts already planned—this would reduce the risk involved in slight fiscal easing in borderline countries such as Britain and France.

Paul Volcker recently told the American-German Biennial Conference that past efforts have won for European Governments "a degree of fiscal flexibility that could be usefully employed, for instance, in improving incentives."

3—The present economic recovery is quite old by historical standards. In 1985, many countries are six years away from the peak of the last boom and four years from the bottom of the last recession. Even those of us who do not believe in rigid cycles and predetermined turning points may entertain a mild presumption that 1986 could be a year of below-trend growth.

4—The standard argument that tax cuts will create fewer jobs than public spending—because they leak into imports—is knocked to smithereens if countries doing most of their trade with each other act together. If higher spending by German taxpayers "leaks" into Japan and Britain, and spending by Japanese and British taxpayers leaks into Germany, everyone will gain, provided Western economies outside the U.S. are able to absorb increased demand without inflation. (Safeguards are mentioned below.)

5—There is some—far from conclusive—evidence (recently summarised by Prof Robert Gordon, in a CEPR Paper) that at present very high rates of unemployment, Europe may be operating on a flat section of its Phillips curve (which gives the short-term trade-off between jobs and inflation). This is rationalised by saying that a large part of long-term—as distinct from short-term—unemployment places very little downward pressure on wage inflation.

6—The U.S. accounts for only 40 per cent of OECD GNP, but in 1983-84 accounted directly for 70 per cent of OECD growth and indirectly for more as a result of its growing import demand. Even without a recession, U.S. demand and output will henceforth grow less than in 1983-84. So it will have to rise faster in other developed countries if the modest world recovery is to maintain momentum.

Paul Volcker (right), who remarked in a speech recently that European Governments had won 'a degree of fiscal flexibility that could be usefully employed, for instance, in improving incentives'

7—Even moderately successful action by the U.S. Congress to reduce the underlying budget deficit will make the stimulus suggested in the previous paragraph safer and more necessary.

8—A fiscal stimulus with unchanged monetary policies, is likely to strengthen European currencies and the yen, and thus contain a counter-inflationary element. This is a re-run of the experience of the U.S., where a high budget deficit has been partly financed from abroad and strengthened the dollar. The risks of confidence effects undermining such an attempt in Europe will be reduced if several countries act together.

9—Reputable economists claim that when European budgets are adjusted for unemployment and inflation, they are seen to be in surplus. This is, in my view, the weakest of all the arguments for tax cuts. For it assumes that the level of activity and unemployment of 1979 (a frequent starting year) still represents an equilibrium to which Europe can return without accelerating inflation. But I throw it into the pot for what it is worth.

10—Very different sorts of economists from the above — namely those of the new classical school such as Robert Barro —claim that European budget deficits are too low, judged by some basic criteria such as stabilising the ratio of debt to GNP or smoothing out the movement of consumption over time. Such new classical economists do not claim that deficits per se — as distinct from tax cuts — will stimulate jobs and output. But they do think present tax rates unnecessarily high.

11—There is the traditional supply-side argument that tax cuts will remove distortions and increase incentives. This is perfectly plausible, so long as it is not pushed to the bizarre length of supposing that all tax cuts will pay for themselves in increased revenues, which you have to be a nutty young Republican to believe. Moreover, the tax cuts which do most good are cuts in marginal rates rather than any old tax cut.

12—Different kinds of supply-side effects are beginning to appear in some macroeconomic models, including the British Treasury's. These are based on an old Cambridge view that wage bargainers are influenced by a target increase in real pay. If taxes fall, so that retention ratio (of net to gross income) rises, workers can achieve the same target real pay increases with lower cash settlements. So there will be less wage inflation, and more output and jobs, for a given level of Nominal GDP.

13—With elections looming in the middle distance in several countries, if an attempt is not made to reduce unemployment by means of concerted tax cuts, there will be irresistible pressure for public spending increases instead. The latter will take the most conservative make-work and protectionist form imaginable and be designed to bolster declining uncompetitive industries by Government support of various kinds. This argument is worth all the previous 12 together.

Some of the above reasons would equally justify a tax cut or lower interest rates in Europe and Japan; but the more important ones apply specifically to a tax cut only. The supply risk arguments may justify accepting for a time the deficit consequences of a tax cut, but not seeking budget deficits as such. Public spending increase would therefore not do equally well. As for the doctrine of the balanced budget multiplier—higher public spending financed by higher taxes—Europe needs that as it does a hole in the head.

Taken together the above set of arguments imply not just a change in the policy mix, in favour of tax cuts, but a change in the policy aim—towards somewhat greater ease.

This shift of emphasis cannot be justified without a built-in safety catch. The Bonn location of the next Summit is especially evocative, as it was at the ill-fated Bonn Summit of 1978, at which the German Government of Helmut Schmidt was persuaded to administer a demand stimulus as part of the "locomotive theory" then in vogue, which that same Government came subsequently to regret. We ought to be able to find a middle course between repeating the 1978 error of inflationary stimulus and committing the opposite error of immobilisme.

The safety catch is that tax cuts or other stimuli should be linked to an objective for the growth of Nominal GDP, both in the EEC generally and in the separate countries, about 1 to 2 per cent above which now seems likely, but no more than that. This is no mere formality.

But if governments really mean to put the safety catch in position—and the financial markets will provide a rough guide to their sincerity—then the upward risk on the inflation side is limited to some 1 or 2 per cent—the conjecture behind the recommendation is, however, that some at least of the expansion will be real and that inflation will not rise by that amount, or even at all.

The main argument against concerted tax cuts is the possibility of a free fall of the dollar. If that took place, interest rate reductions in Europe and Japan would be much preferable to tax cuts, from the point of view of braking the dollar's fall.

My main response would be that even after its recent setback, the dollar is still far above any reasonable estimate of its underlying value.

It would be self-flagellating to deny ourselves tax cuts because in hypothetical circumstances interest rate reductions might be a better stimulus. Fiscal action is normally so slow to plan that there would be plenty of time to change course if the dollar really were to plunge.

Even if a dollar collapse comes after a fiscal easing, the task of European policy would not be impossible. It would be to balance tax cuts by expenditure reductions, including among expenditure special interest subsidy and tax concessions to, for instance, owner occupiers, farmers and pension funds, which are the curse of Finance Ministers' lives. They should jump at any international excuse to reopen questions which heads of government have in their blindness tried to close.

Jobs, pay, unions and the ownership of capital

A booklet containing reprints of Samuel Brittan's recent articles on these subjects is now available from Nicola Banham, Publicity Department, Financial Times, Bracken House, Cannon Street, London EC4, price £1.50, including postage.

Lombard

The Romanian experiment

By David Buchan

ONE European country has cut its foreign debt by 40 per cent in just two years, halved interest rates within the past six months and revalued its currency sharply upwards against the U.S. dollar.

Where, you might ask disbelievingly? Romania. Is it a miracle? No, because the cost has been to bring the Romanian standard of living to its lowest ebb for many a year. Most food is scarce or rationed, even while some of it is still shipped abroad for hard currency; some embassies in Bucharest report having to buy food in Vienna that turns out to have come from Romania in the first place. Heating, power and petrol supplies are erratic. All this has been aggravated by a very severe winter.

But Romania is also an experiment in how far and fast what is euphemistically called "adjustment" can be pushed by a leadership that brooks no dissent and has, for instance, been able to order all private cars off its roads for the past two and a half months.

The starting point is President Ceausescu's personal zeal to wipe out his country's foreign debt in the shortest time. (His officials say the real or realistic goal is not zero absolute debt, but a balance between assets and liabilities). From the time in 1981-82 when Romania had to reschedule its debts, the President developed an allergic reaction to the International Monetary Fund and Western creditors.

This debt-reducing zeal is shared by many countries in the world and several in Eastern Europe, Bulgaria, Czechoslovakia, and of course poor Poland. But only in Romania is it being carried to such excess.

Romania has taken no new commercial bank loans since 1981, no new World Bank money since 1982, and when last year it drew on the last of its 1981-84 standby tranches, it showed the Fund the door. Gross debt is down from \$10.2bn at end-1982 to \$6.9bn today, and net debt below \$5bn. Generating the means to do this has been a demonic export drive, with the hard currency surplus rising to somewhere between \$2bn and \$3bn last year.

Most governments would call a halt there, declare a truce in the war against debt, and give the citizenry a break. But the Romanian export drive looks set to continue, even though last year it landed Bucharest in anti-dumping trouble with its steel shipments to the U.S. and helped empty the food shops at home.

How then does Romania's 20-per cent revaluation of the leu against the dollar help exports? The outsider would think that this would raise the price of Romanian exports, making them less attractive to foreigners. Wrong. Romanian export prices are just what they were before last November's revaluation. Surely then Romanian companies getting more lei for every dollar earned will slacken exports? Wrong again. The plan simply tells them what quantities to export regardless of price. So what is the point of the revaluation? A sort of self-imposed handicap. "Before the revaluation, enterprises were finding it too easy to export and paying no attention to quality and technical level," says Mr Marin Stelian, a senior finance ministry official. Now, it seems, they will have to compete more on quality and to compress their domestic lei costs.

Is it just in personal pique that Mr Ceausescu is doing the opposite of everything the IMF doctor prescribed in 1981-83, revaluing instead of devaluing, cutting instead of raising interest rates, freezing instead of increasing prices? No, says Mr Stelian, there is economic method in all this. Once the Government decided last year to freeze prices, revaluing the currency became possible and cutting interest rates from a high real level of 10 per cent became necessary.

This, however, begs the question of whether fixed or "stable" official prices are what a country with shortages and rationing needs. The prices of food and electricity, both in short supply, have not been raised for several years. Higher prices would surely stimulate output and cut waste. The economy is already in danger of being partially "de-monetised," as the leu increasingly loses its internal value to another currency, Kent cigarettes.

Letters to the Editor

Private use of the ECU

From Mr E. Schulman

Sir, — Referring to the interesting article by Wilhelm Nolling (March 27) on the EMS and the private use of the ECU, Mr Nolling states that real integration should come first and that one should not put the cart before the horse.

I contend that to speed-up integration and to overcome the obstructive, intransigent position of West Germany, this is one time putting the cart before the horse can be useful. It is quite understandable that Germany prefers not to see the private use of the ECU because such a currency would challenge the D-Mark as a stable haven for investment. Currently, only the D-Mark and Swiss franc provide a viable alternative to the dollar. Hence the lower interest rates in these two countries which permit their own economies to thrive.

To be sure, the ECU is not a true currency but merely a unit of account. But more and more investors are looking at it as a vehicle of exchange in their transnational activities. Because of its structure (a basket of all EC national currencies) it is inherently more stable and obviates the fluctuations of the individual currencies.

With the growth in the use of the ECU as a denominator of international obligations and the "currency" of payment for international trade (oil, grain, etc) it is becoming an unstoppable force. We are beginning to see deposit accounts (with favourable interest rates) put in use, issuance of travellers cheques, soon credit cards(?).

It is such pragmatism as this development that will help to accelerate the potential political unification of the Community. The official German attitude may retard this force but it will not stop it. When the time comes for an event, nothing will stop its appearance. And it is the ECU whose time has come.

A Europe-wide transnational association of securities dealers to trade OTC in ECU denominated shares would provide more liquidity in the capital markets of Europe which would in turn attract more investment in European innovation and enterprises by providing exit facilities for such investments.

Eugene Schulman,
28, Coulouvreniere, Geneva, Switzerland

Paying the rates

From Mr M. Slavin

Sir,—I am surprised that you should say, in your editorial "Reforming the rating system" (April 3), that there are accountability problems with local income tax. If your weekly, or monthly, paycheck names your local authority, and tells you how much it has taken from you, what could be more accountable.

Every PAYE taxpayer in this country has an individually tailored code which is applied to his income by looking up a table. Every taxpayer has a postcode which indicates his local authority. What could be simpler? Where is the problem?

M. V. Slavin.
30, Greenholm Road, SE9.

The future of pensions

From Ms J. McKnight

Sir,—Mr Colbran (March 27) is of course right to point out both that the future is uncertain and that restricting basic retirement pension to price protection only is plain foolish and unacceptable to everyone.

If Mr Colbran is right that "the more obvious conclusion is that no-one can tell what the costs of the present National Insurance schemes would be in 40 years' time," then this does not provide any substantive basis on which a decision could be based now, in 1985, that SERPS could not be afforded in 40 years' time.

The Government's own advisory body, the Social Security Advisory Committee in its latest report says that "we do not believe it would be justifiable to make pension scheme changes now in anticipation of a problem in 50 years' time. We consider that it would be more reasonable to wait until the turn of the century, when not only will the likely ratio of elderly people to workers in 2030 have become clearer but the longer term prospects for economic growth through into the next century will be more apparent."

Until the Government publishes the Green Paper on social security we shall neither know whether it accepts this sensible advice nor on what grounds it does so. The continuing correspondence in your columns has at least shown that affordability is not a legitimate ground on which to base the abolition of SERPS.

Meanwhile the points made remain unanswered. Restated simply they are:

(a) Why should the Government Actuary focus attention on the payment of pensions when the relativity of contribution rates is the meaningful criteria for judgment?

(b) Who decided that 1½ per cent prices/earnings gap "is not unreasonable for the longer term"—was it Mr Fowler, Mr Lawson or Mr Johnston?

(c) How can such a low figure be squared with the Chancellor's growth estimates of 3 per cent in present recession times let alone the future?

(d) Why if price protection of basic retirement pensions is not tenable and should not be the premise for future projections did the Government legislate for it in 1980 and has stuck rigidly to it for pensions evidence.

Mr Colbran raises yet a further question:

(e) What exactly are "benefits quite inappropriate to the situation at the time?"

The inference is that he means SERPS payments in the year 2025. But SERPS is majorly the equivalent to a final salary occupational pension for those without rights to an occupational pension. SERPS was designed, with all party agreement, to bring to an end the sharper disparities in income of pensioners. Is Mr Colbran really arguing for a return to the Two Nations concept for pensioners?

Judy McKnight,
(Group Secretary, DHSS Society of Civil and Public Servants.)
124-130 Southwark Street, London, SE1.

Britain's bus services

From the chairman, Strategic Planning and Transportation Committee, Cheshire County Council

Sir, — The passage of the Transport Bill through the House of Commons once again demonstrates this Government's inability to distinguish between economic theory and common sense. The proposal to introduce free competition on Britain's bus services with a commercial network of services operating alongside a subsidised network let by tender by the county councils will lead to instability, confusion and chaos to passengers.

All sides of the industry, local authorities, professional bodies, consumer groups and the Conservative-controlled House of Commons Select Committee on Transport have criticised the proposals but without any effect. Indeed, the Select Committee went so far as to say that the Government is "incorrect in thinking that a workable basis can be found for separating the unremunerative services from the potentially profitable ones which will produce a stable outcome." (Paragraph 227.)

The alternative is Comprehensive Competitive Tendering (CCT) which has been proposed by the Select Committee on Transport and the Association of Transport Co-ordinating Officers. CCT allows the local authority to define the network of services required and then divides the network into small packages and the bus operators compete by tender for them.

CCT overcomes the problems of franchising, which has already been criticised by the Government for allowing operators to develop monopolies which they could then abuse. By dividing the network up into small packages ranging in size from one to 20 buses, and by having a rolling cycle of re-tendering, there would always be opportunities for new operators to enter the market and bid for services.

This would also provide a powerful sanction against operators abusing contracts by poor performance, because such operators could at the limit be denied the opportunity to bid for further tenders until their performance improved.

The packages would be specified in such a way as to encourage innovatory suggestions by operators and again this would stimulate competition to reduce costs and improve services. These proposals would continue to provide a balanced mix between commercial services and socially needed unprofitable services.

In Cheshire there is all-party support for CCT and we have suggested to Mr David Mitchell, MP, the Minister responsible, that Cheshire be designated a Trial Area to test CCT when free competition is introduced everywhere else.

However, despite the wide-ranging support for the principle, he was not prepared to consider it when we met him on March 27. Cheshire County Council will continue to lobby, with the consortium of shire counties, both the House of Commons and House of Lords to amend the Bill to allow the introduction of comprehensive competitive tendering.

Derek Bateman.
Labour Members' Room, County Hall, Chester.

Sponsors and the arts

From the General Secretary, British Actors Equity Association.

Sir,—Under the heading "Actors urge tobacco ban" (April 3) it was stated that this union was campaigning to "persuade theatres to abandon tobacco companies' sponsorship." This is entirely incorrect.

Equity council believes that the economic state of the arts is such that assistance should be welcomed from any legal source.

Peter Plouviez,
8, Harley Street, W.1.

FINANCIAL TIMES

Thursday April 11 1985

JOINT PLEDGE SIGNED AGAINST CHANGE IN VOTING SYSTEMS

French opposition to repeal PR

BY DAVID HOUSEGO IN PARIS

FRANCE'S main opposition parties promised yesterday to repeal the controversial shift to proportional representation (PR) which President François Mitterrand is introducing to prevent the right from winning a majority of seats in next year's parliamentary elections.

The pledge to repeal the change in the voting system was part of a joint declaration, signed by the opposition parties, to block any move by M Mitterrand after next March's elections to woo their members into a coalition government with the Socialists.

The key phrases in the text spell out the intention of the opposition parties to refuse any coalition compromise with the Socialists in a coalition government, and make clear that any candidate seeking an opposition label will have to subscribe to yesterday's declaration setting out its objectives as a government.

The declaration coincided with Cabinet's approval, at its weekly meeting, of details of the PR legislation to be put before the National Assembly. The change will introduce an extra 86 deputies to the National Assembly, bringing the total to 577.

M Laurent Fabius, the Prime Minister, returned from the Far East yesterday in time for the Cabinet meeting. He had been out of the country since the dramatic resignation before Easter of M Michel Rocard, the most popular of the Socialist ministers, which has left the Government considerably weakened as an electoral force.

On instructions from M Fabius, ministers have avoided comment on M Rocard's departure in the belief that silence is the best way of muffling his dissent.

The only high-level comment on the resignation to have come from the Socialist Party was an article in Tuesday's Le Monde newspaper by M Lionel Jospin, the party secretary general. He implicitly warned M Rocard against further dividing the party "in the weeks and months to come," and said that other institutions of the Fifth Republic – the role of the Prime Minister, the Constitutional Court, the President's right to dissolve the National Assembly – were not immune to change.

The declaration signed yesterday by M Jacques Chirac for the neo-Gaullist RPR and M Jean Lecanuet, leader of the UDF, sets out in broad terms the opposition's objectives if they should come to power next year. Their aim is to highlight key features of a future programme in a way that will distinguish them more clearly from the Socialists.

President Mitterrand

The emphasis in yesterday's declaration was on cutting state expenditure, lowering taxes, denationalisation and deregulation.

The only hint of the difficult economic situation that would face them in 1986 was a phrase to the effect that repayment of France's external debt burden would require a "sustained effort" by the country.

Although the emphasis yesterday was in unity, the cluster of groups that make up the opposition will, in practice, find it difficult to hold together up to the election and in the manoeuvring over a new government that may follow.

M Raymond Barre, the former Prime Minister, for instance, was reticent about yesterday's declaration. He does not believe that the opposition should join a Government while M Mitterrand remains President.

The switch to PR further emphasises the divisions within the opposition – as President Mitterrand intended – in that it allocates seats to parties according to the votes they win.

It is thus a test of strength between the parties which makes more difficult the type of electoral alliances that were struck between the RPR and the UDF during the recent local elections. M Lecanuet said yesterday, however, that the opposition would seek to put up some joint candidates.

The final strain on the opposition's unity will come from the emergence of a strong National Front group in the National Assembly – presenting the choice of an alliance with M Mitterrand or with the extreme right.

M Lecanuet faced this danger squarely yesterday by saying that that the opposition would strike no compromises either with the Socialists or with the National Front

Tax plan to boost small companies

BY DAVID MARSH IN PARIS

THE FRENCH Government intends to bring in new tax measures over the next few months, closely modelled on venture capital legislation in the U.S., to try to boost flows of finance to small high-growth companies.

The moves are the latest in a series of steps over the past 12 months to support risk-taking and entrepreneurial activity and have been generally welcomed by French venture capital specialists.

Although details have not yet been worked out, Finance Ministry officials yesterday said that legislation would be placed before the National Assembly soon which would free from taxation venture capital companies set up to channel funds into small concerns in promising fields.

The tax breaks would be granted to companies investing in non-quoted businesses on condition that the holding company, after allowing for a start-up period, distributed to its shareholders at least 50 per cent of dividends received.

Dividends distributed by the holding company would be taxed at a rate of only 15 per cent – the same as that ruling generally on capital gains – compared with existing rates of 50 per cent.

M Patrick de Giovanni, a partner in the French arm of Alan Patricof Associates, one of the foremost U.S. venture capital groups, called the move "a step in the right direction," although he believed it would take time to overcome "fundamental inertia" regarding venture capital in France.

M Robert Lattes, a director of the state owned Paribas investment bank, who is in charge of venture capital activities, called the plan "a very positive and stimulating move" which should especially help the raising of funds from private and industrial investors.

Several French banks, investment institutions and industrial groups have set up or strengthened venture capital activities over the past year or so.

The Government brought in tax and legal changes last summer to stimulate the funding of small businesses and management buyouts. Interest in the field has been underlined by the establishment in France of several foreign risk-capital operations.

M Alan Patricof, one of the founding members of a newly set-up French Venture Capital Association, has made about 10 investments in France, committing roughly one third of its initial funding target of FFr 100m ($10.3m).

Paribas, which set up a U.S. venture capital organisation some 3½ years ago, has – like other French groups such as the Elf Aquitaine oil company – concentrated so far on risk capital activities outside France.

Now, however, the picture is changing. Bankers say about FFr 1bn in venture capital finance is available in France, and there is a shortage of projects rather than funds.

M Lattes, a mathematician and former nuclear energy specialist, says there has recently been a "huge increase in good projects" with "an increased number of entrepreneurs prepared to jump into the pool."

Compared with its 100 or more venture capital participations in the U.S. and Japan, Paribas has only about 12 in France.

M Lattes says he is studying 32 proposals for possible investment in small French "good companies in technology and high-growth areas," against only three a year ago.

The proposed tax changes are expected to affect mainly the established "innovation support" investment companies set up by banks and financial institutions, as well as about 20 regional development companies.

Goldsmith bid puts $1.15bn value on Crown Zellerbach

BY TERRY DODSWORTH IN NEW YORK

SIR JAMES GOLDSMITH, the Anglo-French financier, launched his threatened offer for Crown Zellerbach yesterday as the board of the California-based forest products group met to consider his proposal.

The cash offer, of $42.50 a share, puts a total value on Crown of $1.15bn. Sir James, however, proposes buying only between 51.9 per cent and 70.4 per cent of the issued shares, at a price of between $595m and $807.5m.

He is making his move through CZC Acquisition, a wholly-owned subsidiary of Gosl Acquisition of Delaware, which is owned by General Oriental Securities Limited Partnership of Bermuda. According to CZC's announcement the offer depends on the arrangement of satisfactory financing.

CZC adds that the bid is contingent on the withdrawal of rights recently issued to shareholders under a "poison pill" provision which would make it prohibitively expensive to purchase the company. If the rights are not redeemed by the board before April 30, the offer could be terminated.

Crown's "poison pill" is regarded as a particularly effective defence mechanism, since it requires a bidding company to issue shares to holders of the rights at half their current market value. These rights are activated once a hostile bidder acquires 20 per cent of the group, or seeks at least 30 per cent.

CZC's offer, the first time a "poison pill" mechanism has been challenged, has triggered the process by which the rights are activated, but investment bankers said yesterday they could still be redeemed, allowing Sir James's offer to proceed.

CZC said it might go ahead and buy 51 per cent of Crown even if the rights were not redeemed, but probably at an amended price. This proposal seems designed to bring pressure on Crown's board, which could be open to shareholders suits if it blocked a bid which was replaced by a reduced offer.

Sir James's move came as Crown admitted that it was considering the creation of a timber-trust arrangement, a further takeover defence device under which timberland is split up and offered in partnership units to investors.

Shultz, Gromyko set date for talks

Continued from Page 1

dled carefully, could put the U.S. on the defensive. The Soviet leader is a much more formidable political adversary for President Reagan than either of his recent predecessors.

Patrick Cockburn, in Moscow, writes: Mr Gorbachev, in an interview with the editor of the Soviet newspaper Pravda, said he favoured a meeting between the leaders of the two superpowers. The world situation was "disquieting – even dangerous."

Mr Gorbachev went on to say that he did not think that there was a real conflict of national interests underlying the tensions between the two countries.

In the course of yesterday's meeting with Mr O'Neill, Mr Gorbachev expressed his extreme disappointment at the U.S. reaction to his announcement last Monday that the Soviet Union would unilaterally freeze the deployment of intermediate nuclear missiles in Europe until November.

During his conversation with the U.S. delegation Mr Gorbachev said that the world situation was disquieting, even dangerous "and a kind of ice age is being observed between the Soviet Union and the U.S. – at least this was so until recently." He said that he did not think that there was a real conflict of national interests underlying the tensions between the two countries.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	17	63	Dubrovnik	S	22	72	Malaga	S	20	68	Salzburg	R	6	43
Akrotiri	S	20	68	Faro	T	16	61	Malta	S	27	81	Seoul	R	28	68
Algiers	S	20	[illegible]	Florence	F	19	66	Manila	S	35	95	Singapore	F	32	90
Amsterdam	S	11	52	Frankfurt	F	13	55	Miami	C	25	77	Stockholm	S	1	34
Athens	S	[illegible]	[illegible]	Funchal	F	17	63	Milan	S	18	64	Strasbourg	F	15	59
Bahrain	S	23	[illegible]	Geneva	F	9	48	Moscow	C	7	45	Sydney	C	22	72
Bangkok	S	[illegible]	[illegible]	Gibraltar	F	19	64	Munich	R	6	43	Taipei	S	29	84
Barcelona	S	16	61	Guernsey	F	11	52	Nairobi	–	–	–	Tangier	C	16	61
Beirut	C	22	72	Helsinki	S	1	34	Naples	S	22	72	Tehran	–	–	–
Belgrade	S	24	75	H. Kong	T	20	68	New Delhi	S	27	81	Tel Aviv	S	21	70
Berlin	R	12	54	Innsbruck	R	6	43	New York	F	-1	30	Tenerife	F	21	70
Biarritz	F	12	54	Inverness	C	9	48	Nice	S	20	68	Tokyo	S	19	66
Blackpool	S	9	48	Istanbul	S	18	64	Oporto	F	13	55	Toronto	F	-5	25
Bordeaux	C	12	54	Jersey	S	10	50	Oslo	S	3	37	Tunis	F	21	70
Brussels	T	9	48	Jo'burg	S	22	72	Paris	C	9	48	Valencia	S	19	66
Budapest	C	14	57	Las Palmas	F	21	70	Prague	F	11	52	Venice	F	16	61
B Aires	R	22	72	Lima	S	26	79	Reykjavik	R	6	43	Vienna	R	12	54
Cairo	S	[illegible]	81	Lisbon	F	15	59	Rio de Jo	C	29	84	Warsaw	C	11	52
Cape Town	S	27	81	Locarno	F	17	63	Rome	F	18	64	Zurich	C	9	48
Caracas	S	27	81	London	F	14	57								
Casablanca	–	–	–	Los Angeles	C	12	54								
Copenhagen	C	3	38	Luxembourg	F	9	48								
Corfu	S	25	77	Madrid	C	12	54								
Dublin	C	5	48	Majorca	S	20	68								

Readings at mid day yesterday.

C-Cloudy D-Drizzle F-Fair Fg-Fog R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder H-Hail

Shell in joint bid for gas producer

Continued from Page 1

Woodside disputes this view, and its initial reaction to the bid yesterday was hostile. None the less, it appears unlikely to survive as an independent partner, even though it operates the project.

BHP and Shell say they will propose a rights issue by Woodside of about A$200m and nominate two additional directors to its board.

Other partners in Stage II of the project are Chevron of the U.S. and Mitsui & Company and Mitsubishi Corporation of Japan, although final contracts have not yet been signed by the Japanese utilities.

Blow to UK rate cut hopes

By Philip Stephens in London

THE MOST closely watched measure of Britain's money supply, sterling M3, grew strongly last month, reinforcing expectations that interest rates will fall slowly from their present high levels.

The rise, however, was sufficiently within City of London expectations to raise hopes that Barclays and Midland might soon cut their base rates by a quarter percentage point to bring them into line with the 13 per cent charged by National Westminster and Lloyds.

The Bank of England said yesterday sterling M3 grew about 1 per cent in the four weeks to March 20, with the main upward pressure again coming from buoyant demand for bank credit.

The increase took the annual growth rate of sterling M3 since the start of the present target period in February 1984 to 10 per cent, at the top of the 6 to 10 per cent range set by the Government.

It was also above the new 5 per cent to 9 per cent range set for the 14 months from February

In contrast, the narrow measure of money, M0, grew only a quarter to a half per cent in March, leaving its annual growth rate since February 1984 at 5½ per cent, well within its 4-8 per cent range.

The Bank's announcement brought small gains for sterling on foreign exchange markets as financial markets interpreted the pace of bank lending in particular as signalling that interest rates will stay high.

The pound, which also benefited from a general weakening in the dollar, made gains against all major currencies. The sterling index ended the day 0.8 points higher at 77.3 and the pound gained 1 cent to close in London at 1,2160.

The dollar, which was hit by further concern about the U.S. banking system, lost 1.65 pfennigs against the D-Mark to close in London at DM 3.1345.

The money supply figures showed that bank lending in March rose £1.8bn, in line with the trend since late 1984 but well above the level with which the authorities feel comfortable to meet their sterling M3 target.

Thatcher says 3% inflation in UK is realistic

By Philip Stephens and John Hunt in London

MRS MARGARET THATCHER, the British Prime Minister, made clear yesterday that she regards a fall in the UK's annual inflation rate to 3 per cent as a "realistic" target to achieve over the next two or three years.

In a newspaper interview given during her tour of the Far East, Mrs Thatcher said she hoped the pace of price increases could slow even further.

Her statement drew criticism, however, from Mr Roy Hattersley, the opposition Labour Party's Shadow Chancellor, who said the Government's "mishandling" of the economy over the past few months had actually pushed inflation higher.

Mrs Thatcher told a London newspaper that Britain's inflation rate, currently over 5 per cent, was still giving a competitive edge to countries such as West Germany, and further reductions were needed to create jobs.

Her comments were in line with assumptions made by the UK Treasury in its Medium Term Financial Strategy, published with last month's budget, which suggests that retail prices will rise by 3½ per cent in the 1987/88 financial year and by 3 per cent the following year.

The Prime Minister, by indicating that she regarded those working assumptions as a realistic target, appeared to be giving a more specific commitment than hitherto to further reductions in the inflation rate.

The slide in sterling's value earlier this year undermined the confidence of financial markets in the Government's resolve on inflation, prompting Mr Nigel Lawson, the Chancellor, to put the fight against rising prices back into the forefront of economic policy.

The Treasury forecast that the inflation rate could rise to 6 per cent in the second quarter of 1985 but would fall back to 5 per cent by he end of the year.

Mr Hattersley criticised the Prime Minister for again making known her views on domestic policy during the Far East tour, although the remarks were not as controversial as her earlier ones on the UK miners strike.

"The Government's record on mishandling the economy over the past few months is so bad that Mrs Thatcher clearly did not have the courage to say to domestic audiences the things she has been saying abroad," he said.

"Ask any mortgage (home loan) holder what they think about the Prime Minister's suggestion that she could get inflation down to 3 per cent when we have had two rises in mortgage rates since Christmas," he said.

Over the shorter term, however, the Government drew comfort yesterday from official figures showing that the annual rate of increase in prices charged by manufacturers fell to its lowest level in 18 months in March.

The Department of Trade said that its index of factory gate prices showed a 5.4 per cent rise in the year to March, down from 6.1 per cent in the 12 months to February.

There was also a slowdown in the rate of growth of manufacturers costs

Mrs Thatcher in Indonesia, Page 3

Brazil likely to need new loan

Continued from Page 1

ney, the acting President, are unlikely to want to face soon focuses on the potential need to draw down the country's foreign exchange reserves to meet interest payments.

The "cash position" for the reserves – including gold – was put last month by Sr Antonio Carlos Lemgruber, the central bank governor, at a comfortable $8bn, equivalent to six months' imports. But Western bankers recognise that these reserves are the country's principal bargaining tool with its creditors.

Peter Montagnon writes: Senior bankers said yesterday that Brazil has made no formal approaches for new money so far, although some have been privately expecting the need to arise later in the year.

Brazil's official line up till now has been that the shortfall in its trade surplus could be made good from other sources, but yesterday's new estimates of the likely trade outturn are worse than many bankers had expected.

A fresh jumbo loan for Brazil would be very difficult to complete, they said. One alternative route that might be preferred would be to increase existing lines of short-term trade finance.

THE LEX COLUMN

A banking return from Jakarta

Prepared by fables of round-tripping on a fantastic scale, and for a correspondingly inflated amount of bank lending, the London financial institutions found themselves unable to get worked up over a mere 1 per cent growth of sterling M3 during banking March.

Even signs that the company sector is developing a keener appetite for bank loans were taken with no more than a shrug, though they say clearly enough that the economy is liable to expand faster than the money targets can easily permit. If the figures so far are just barely consistent with the ranges set for the new monetary year – sterling M3 is sitting exactly on the 10 per cent mark – they are not particularly encouraging either.

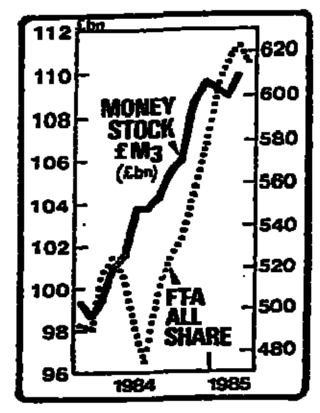
It is the more ironic that a softening in money market rates, with both one and three-month money very close to 13 per cent, may have brought Barclays and Midland to the brink of following the Chancellor of the Exchequer down to a 13 per cent base rate. For the main issue, whether the January jump in base rates has succeeded in tightening monetary conditions in general will probably remain clouded for two or three months to come, and the borrowers most likely to feel the pinch are in the personal sector – a category which yesterday's clearing bank statement showed not to be the principal culprit in any case.

Since the mystery miscellaneous item in the provisional statement was negative to the tune of about £1bn – quite probably with heavy government debt sales overseas masking a rise in the banks' leasing commitments – the growth of bank borrowing has to be taken seriously.

The corporate sector's unexpectedly strong demand for bank finance needs some explaining, particularly in view of the still decent trend in profitability, the apparent avoidance of real stock-building, and the swollen total of rights issues since the queue re-opened after British Telecom.

The acquisition of financial and commercial assets must be part of the story. The unusually high volume of takeovers, and the cash element in many bids, provides more than anecdotal evidence. Moreover, an accelerated capital investment programme is clearly going on whereover tax-planning – in commemoration of the 1984 budget – makes it seem desirable.

Finally, companies with good credit ratings have been producing the bills that the Bank of England



likes to accumulate. How far this represents one end of an arbitrage transaction is as unclear as ever. In March, to widespread surprise, it seems that more bill-arbitrage may have been unwound than undertaken. If anything, that makes the banking figures more discouraging.

Woodside Petroleum

The A$458m bid by BHP and Shell for full control of Woodside Petroleum looks set to end the career of one of the sportiest players in the international oil game. The opportunism which for so long kept Woodside on terms with its much stronger partners in the Northwest Shelf has at last rebounded.

BHP and Shell have sprung their offer just as Woodside is negotiating the refinancing of a U.S.$1.4bn bank facility, as well as a fresh stand-by facility of U.S.$400m to see it into the second stage of its natural gas project. Try as Woodside may to claim that the negotiations are proceeding smoothly as can be, the suggestion by BHP and Shell that Japanese LNG buyers are becoming a little restive about the progress will be difficult to refute.

As owners of 42.6 per cent of Woodside equity already, the two bidders start from a commanding position. Their threat to force an A$200m rights issue down the throats of Woodside shareholders is clearly designed to push the market into acceptance and will not be taken lightly.

Faced with a choice between subscribing new cash for a company whose share price has wilted badly and accepting an offer which values the company at a premium of almost 100 per cent to the market price of a month ago, there is not much doubt about which way most shareholders will jump.

A successful bid would leave Shell and BHP owning precisely 50 per cent of Woodside each, which is probably not a tenable position. The likelihood is that they would simply absorb Woodside's equity interest in the LNG project into their own and divide any other assets, including the drilling obligations, between them.

BHP can no doubt make good use of Woodside's prodigious tax losses, while Shell might attempt to strengthen its position in the LNG freight trade.

Woodside would also leave the bidders with a majority position in the equity of Vamgas, which is active in the Cooper Basin project. To judge from the recent share price action the market is expecting BHP and Shell to buy the rest of that out too.

Smiths Industries

It took a good five years of taxiing along the runway, but Smiths Industries is now not just taking off, but firmly in the air. Yesterday's figures for the six months to February 2 show pre-tax profits up 38 per cent to £20.2m, with improved results in every division – well above the most optimistic of market expectations.

Aerospace still accounts for the largest slice of sales, although its profits are now only slightly larger than those of the rapidly growing medical division. Aerospace seems to be cruising along steadily, helped by the upturn in civil orders, now nearly half of sales. When work on the Tornado starts to run down in three years or so, Smiths will have quite a sizeable gap to fill, but orders for the U.S. Marine Corps Harrier should be able to make up at least some of the difference.

Margins in the medical sector have fallen nearly 4 points, surprisingly not due to strife in the U.S. hospital sector, but rather to the acquisition of Downs Surgical. It is hard, though, to carp while they still stand at over 17 per cent. Across a wide range of other products, higher volumes have fed through to a solid margin improvement, up by as much as a quarter in places.

Though Smiths is quick to point out that there should be less of a bias towards the second half this year, pre-tax profits should still rise to around £46m, leaving the shares – up 13p to 206p – on a well deserved multiple of around 16. And with gearing in only single figures, Smiths can afford to buy even more growth.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday April 11 1985

Chase set to acquire troubled Ohio thrifts

BY PAUL TAYLOR IN NEW YORK

CHASE MANHATTAN, the U.S. banking group, said yesterday it plans to acquire two privately-insured Ohio savings banks and has expressed an interest in acquiring more as a step towards winning approval to establish a commercial banking operation in Ohio.

Chase is the second major New York bank to announce an agreement to acquire troubled privately-insured Ohio savings banks following the run on their deposits last month after the collapse of ESM Government Securities, the Florida-based government bond dealer.

Last week, Chemical Bank signed a letter of intent to acquire Home State Savings itself.

The agreement between the Ohio superintendent of savings and loans and Chase Manhattan covers Mentor Savings Bank of Mentor, Ohio, which was also hard hit by a run on deposits and has remained closed under the orders of the state's Governor and Federated Savings Bank of Cincinnati.

The deal, which is subject to the approval of the U.S. Federal Reserve Board and the Federal Savings and Loan Insurance Corporation, follows certification by the Ohio superintendent of savings and loans that the proposed acquisitions qualify under laws allowing such deals in "emergency situations."

The bank, which at one time was mentioned as a possible bidder for Home State said it had filed applications with the Fed and the FSLIC.

Mr Thomas Labreque, Chase president, said the bank saw the proposed acquisition of the two savings banks as an initial step in assisting the Ohio authorities to alleviate the state's banking emergency.

He said: "We have advised Governor Richard Celeste that we would be willing to make additional acquisitions and combine them with Mentor and Federated as part of a plan to be able to obtain a licence to operate a commercial bank in Ohio.

"We are hopeful that the Ohio state legislature will enact legislation that will permit us to be of additional help in attempting to remedy this situation."

Ohio legislators are grappling with the task of writing new legislation to allow out-of-state banks to set up commercial banking operations in Ohio.

J. P. Morgan profits up 13%

BY OUR FINANCIAL STAFF

J. P. MORGAN, holding company for Morgan Guaranty Trust, the New York bank, yesterday reported a 13 per cent rise in first-quarter net profits, with higher interest income giving a "major boost" to earnings.

Profits rose from $146m or $1.66 a share in the 1984 quarter to $164.6m or $1.85. The latest quarter's profits includes gains from securities transactions of $7.1m, compared with $5.1m in the 1984 period. Assets at the end of the quarter were $65bn, up from $59.7bn a year earlier.

The company said net interest earnings were $428.5m, against $372m in the 1984 quarter. This gain was offset slightly by lower non-interest operating income and higher non-interest operating costs and income taxes.

Net charge-offs in the 1985 first quarter were $14m, compared with $13m in the 1984 period. The provision for possible loan losses dropped from $45m to $30m.

The allowance for possible credit losses totalled $598m at the end of the latest quarter, compared with $583m at the end of 1984 and $509m at the end of the 1984 first quarter.

● **Irving Bank,** another large New York banking group, lifted first-quarter net earnings marginally from $26.6m or $1.41 a share to $27.3m or $1.44. The figures include net gains of $2.6m and $4.3m respectively from venture capital investments.

● The two largest Texas banking groups, InterFirst and RepublicBank, have reported higher first-quarter net earnings.

InterFirst, the Dallas-based banking group which is the 18th largest in the U.S., reported net earnings of $15.1m or 23 cents a share, compared with $9.6m or 14 cents a share in the year-ago period.

The earnings gain came despite a substantially higher loan-loss provision in the first quarter. This had been forecast and was funded by the $55.7m gain from the sale of part of the bank's headquarters building.

The bank said its loan-loss provision in the first quarter increased from $37.3m to $92.5m, net charge-offs fell to $42.7m from $69.2m and the resulting loan-loss reserve increased to $289m from $238m at the end of 1984.

RepublicBank, the 19th largest banking group in the U.S., which is also based in Dallas, said its net earnings increased to $35.4m or $1.16 a share fully diluted from $29.7m or $1.03 a share a year earlier.

The earnings gain reflected a 17 per cent increase in average domestic loan volume and an improvement in the net interest margin to 3.81 per cent from 3.71 per cent.

ITT set for first quarter upturn

By Our New York Staff

ITT, the U.S.-based multinational which is in the middle of an asset divestiture programme, has forecast a 44 per cent increase in first-quarter earnings per share.

The group last week won backing from the U.S. Securities and Exchange Commission for its decision to exclude a liquidation proposal by a dissident shareholder from its April 16 annual meeting proxy material.

It said that preliminary estimates indicate first-quarter net earnings of about 75 cents a share compared with the 52 cents a share reported in the 1984 first-quarter.

ITT has been fighting a turn-round-battle ever since announcing a sharp decline in 1984 second-quarter earnings. It said the rebound reflected substantially better earnings from its telecommunications group, following a favourable resolution of contracts in Nigeria.

The group said its industrial technology and natural resources segment should also improve earnings, while the diversified services' unit will post higher operating income but lower net profits than a year ago, when earnings were boosted by large capital gains.

Mr Rand Araskog, chairman, said the previously announced plan to divest units worth $1.7bn was proceeding well.

Loral to buy IBM offshoot

NEW YORK – Loral has reached an agreement to buy the Mil-Spec computer division of International Business Machines' Rolm subsidiary for $100m cash.

The sale, which must be approved by the U.S. Department of Justice, is scheduled to be completed in May. Reuter

Icahn seeks control of Uniroyal

BY OUR FINANCIAL STAFF

MR CARL ICAHN, the U.S. investor, plans to launch a tender offer for a controlling interest in Uniroyal, the third largest U.S. tyre producer.

Under terms of the $18 per share offer, Mr Icahn will seek control of more than half Uniroyal's shares on a fully diluted basis. The offer values the whole company at $610m.

Mr Icahn is understood to own about 5 per cent of Uniroyal, which derives around half of its $2.1bn annual sales from non-tyre products.

The investor is reported to have warned Uniroyal management that he would attempt a takeover if it did not withdraw certain proposed anti-takeover measures. Uniroyal's shares rose $1¼ to $17⅞ at Tuesday's close.

● CBS, the embattled U.S. broadcasting group, has filed a suit in a U.S. Federal Court alleging violations of securities laws by Mr Ivan Boesky, the Wall Street arbitrageur who owns 8.7 per cent of CBS shares.

CBS alleged that Mr Boesky failed to disclose his financing "through illegal margin transactions" of his stake. Mr Boesky had also "portrayed himself as a champion of CBS shareholder values while trying to sell his block of stock to CBS at a substantial personal profit."

● Asarco, the troubled U.S. mining concern, has moved to counter any takeover bid by Mr Robert Holmes à Court, the Australian entrepreneur who has bought 9.9 per cent stake in the company.

Asarco's board had declared a dividend on each outstanding common share of one-tenth of a share of a new series C preferred stock. This will include a right to buy one-seventh of a common share.

The new preferred shares will have no voting rights initially, but each one-tenth of a share will have five votes if any person or group acquires more than 20 per cent of the outstanding common stock.

Asarco said in March that it might ask shareholders at its April 24 annual meeting to consider charter amendments that would give the board greater "flexibility to respond to any acquisition proposal."

● RCA, the U.S. conglomerate, has signed an agreement with Sharp of Japan to set up a joint venture to design and manufacture CMOS (complementary metal oxide silicon), very large scale integrated circuits in the U.S.

RCA said the investment is expected to exceed $200m over the next five years. It added that the agreement was subject to approval by the U.S. and Japanese governments.

The venture will be 51 per cent owned by RCA and 49 per cent by Sharp.

● General Motors, the biggest U.S. motor group, is to close its grey iron foundry at Pontiac, Michigan, by 1987 as part of a consolidation programme to reduce overcapacity in its iron casting operations.

Paul Cheeseright in Brussels looks at the prospects for ACEC

New suitors for Belgium's old iron lady

THE OLD iron lady in torment. That was the Belgian newspaper headline a couple of years ago describing ACEC, the biggest electrical engineering company in the country which was diversifying fast into electronics and telecommunications.

Certainly the bare figures looked then, and still do, like a bad corporate dream: no profits and no dividends since 1968. At Charleroi, the ACEC base, industrial relations were a joke; the management make periodic vows never to invest another centime there.

Strange then, that the old iron lady – Ateliers de Constructions Electriques de Charleroi to give her full name after early marriages – should find new suitors. More natural, rather, that Westinghouse Electric should willingly surrender its 42 per cent stake.

The U.S. group took about $6m for that stake from the new alliance of Société Générale de Belgique, the biggest holding group in Belgium, and Compagnie Générale d'Electricité, the French conglomerate now controlled by the state. The day the deal was closed, the works at Charleroi were on strike.

ACEC'S SIX-YEAR RECORD

	Sales (BFr bn)	Profit (BFr m)
1979	15.4	892*
1980	20.3	115
1981	21.9	128
1982	25.7	14
1983	24.7	#
1984	24.3	#

*Loss. # break even

The alliance won majority control by tying the Westinghouse stake in with a holding SocGen already owned. It did not prove too difficult to arrange. ACEC watchers had perceived a diminution of Westinghouse interest over the past 18 months. The sale of Westinghouse assets in Spain indicated that the group was re-orienting its activities.

However, Westinghouse knew that ACEC needed a big partner to survive. The first contacts between Westinghouse and SocGen-CGE, took place last February.

The speed with which Westinghouse extracted itself has given the SocGen-CGE alliance little time to prepare detailed plans for ACEC, but the purchase of majority control fits in to a broader plan the two conceived last summer.

Then they decided to embark on what they described as "a significant technical and industrial co-operation scheme in the field of advanced technology." The sectors SocGen-CGE picked out were telecommunications, new sources of energy, production science, artificial intelligence and digital optic memories.

There were two ways of going ahead, according to M Pierre-Michel Oury, a director at both SocGen and ACEC; there could be development from research and then there would need to be an industrial organisation to proceed, and "for that we had to find a vehicle."

SocGen-CGE dipped a toe in the water with a small joint venture company to develop and make numerical discs, and then ACEC became available. Here, the two thought, could be the vehicle they needed.

ACEC, from the outside, looked like another worn-out engineering company: an historic reputation – it had electrified railways on four continents, installed the first trams in Bradford, UK, Paris and Cairo, and put up steelworks in China – but hurt by recession, over-manned and strike-ridden.

ACEC, however, looked different closer up: the parent company had been pruning for three years; difficulties in Charleroi were not endemic; and it had plants in 15 countries. Organisationally, for CGE, ACEC looked to be a good fit.

The group's profits record was bad, but ACEC had been spending some 10 per cent of turnover on research and development.

The attraction for SocGen-CGE was ACEC know-how. There are no immediate plans to invest huge new capital, although from the SocGen point of view, acting in the traditional way of the Belgian holding group, such capital is available.

INTL. COMPANIES & FINANCE

Indonesia on verge of launching $400m facility on Euromarket

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

INDONESIA was yesterday on the verge of launching a $400m 10-year note issuance facility in the Euromarkets, the first such deal of any size for a major sovereign borrower in the Far East.

Final details of the facility are being worked out with a group of four banks—Bank of Tokyo, Citicorp, Chemical and Morgan Guaranty. A formal mandate is expected late this week or early next.

Bankers in Hong Kong say the facility is expected only to be marginally affected if at all by last week's Bank of England circular calling on British banks to include underwriting commitments under note issuance facilities in the risk asset ratio used to measure capital adequacy.

They share the view of European bankers that the Bank of England's move will have only limited impact on the pricing structure for Euronote facilities unless it is followed up by central banks of other countries too.

The Indonesian deal is expected to carry a facility fee of 12½ basis points and be backed up by a standby bank credit. This will carry interest at a margin of 25 basis points if up to one-third of the total amount is drawn, 35 points on drawings of up to two-thirds and 40 points if more than two-thirds is used.

The facility fee would be payable regardless of how much of the credit is used.

The deal is expected to be one of very few borrowing operations by Indonesia this year as the country already has substantial undrawn lines of credit. It is understood to have chosen the Euronote structure as a means of attracting a wider range of lenders through the sale of short-term paper in the markets.

Cap Gemini plans Paris flotation

BY DAVID MARSH IN PARIS

CAP GEMINI SOGETI, the leading French and European computer service group, intends to introduce 10 per cent of its capital on the Paris bourse in June as the latest in a series of new entries to the unlisted securities market.

The move, which has been under study for some months, will represent one of the most important flotations by a high technology company since the "second market" of the French stock exchange was set up just over two years ago.

The flotation of 10 per cent of the company's nominal equity of FFr 62.3m ($6.5m) will bring large capital gains to the present shareholders. These are M Serge Kampf, the chairman, with 51 per cent, other managers with 15 per cent and the Compagnie Generale d'Industrie et de Participations (CGIP) holding company with 34 per cent.

M Kampf will, however, keep overall control of the Cap Gemini group as he will retain a 51 per cent stake in a newly set up holding company which itself will own 51 per cent of the operating concern to be floated on the bourse.

Cap Gemini, which made FFr 96m in net profits last year on FFr 1.8bn consolidated sales, has profited especially from booming conditions in the U.S. This year it expects to boost profits to FFrs 120m on sales of FFr 2.2bn.

Around 50 French companies have made their way to the "second marché" in the last two years, with an increasing number of stocks in recent months from the high tech sector.

Court orders liquidation of Manufrance

By Our Paris Staff

THE bankruptcy court of Saint-Etienne, the industrial city in central France, put the final nail in the coffin of SCOPD Manufrance yesterday by announcing that the co-operative venture would be liquidated.

The move has considerable symbolic impact in that Manufrance was an attempt by the pro-Communist CGT union to form a co-operative to salvage a bankrupt private company in Saint-Etienne.

Manufrance dates back to 1885 and has long been known as "the old lady of Saint-Etienne." In its heyday it manufactured shotguns, sewing machines and bicycles but it fell on hard times and was finally forced to file for bankruptcy in 1979.

It was then that the CGT took over in what was seen as a novel attempt by the union to save the old Saint-Etienne concern. However, the task proved far more complex than the union had envisaged and, plagued with debts and losses, the co-operative failed to win the necessary support from the public authorities to bail it out.

It filed for bankruptcy last week but was still hoping to find a last minute white knight to rescue it from liquidation. But the bankruptcy tribunal said yesterday that the co-operative was no longer in a position to pursue its activities. The decision will lead to 396 job losses.

Boskalis to delay report and accounts

By Our Financial Staff

BOSKALIS Westminster, the Dutch dredging and building group which expects a big loss for 1984, is to seek shareholder approval for a six-month delay in the publication of its report and accounts.

The company, which reported a 1983 loss of Fl 43m ($12m), said it would put the proposal to a shareholders' meeting by the end of May. The 1984 deficit is forecast at Fl 200m.

More time is needed for discussions with the large number of banks which have said they will continue supporting Boskalis and for negotiations over sums owed to Boskalis in Argentina, Algeria and Nigeria, the company said.

Boskalis has formed a new subholding to unite Boskalis' dredging activities within the framework of Royal Boskalis Westminster.

Bonomi holding company reports L15.5bn profit

BY ALAN FRIEDMAN IN VENICE

BI-INVEST, the financial, property and industrial holding group which was formed by the merger last year of the Bonomi family's interests, has reported a L15.5bn ($7.7m) 1984 net profit.

The figure, however, is not comparable to the net profit of L7bn recorded in 1983 by Beni Immobili Italia, the former property holding company or to the L9.8bn recorded in 1983 by the Invest company. In addition BI-Invest says it will not be able to reveal a consolidated turnover figure until late May.

BI-Invest is now 30 per cent owned by the Bonomi family and is chaired by Sig Carlo Bonomi.

Last year, in an effort to form a more streamlined operation, the Bonomi group began divesting itself of various holdings such as its stake in the Mira Lanza detergents company, which it sold to the Montedison chemicals group for L63.7bn.

The aim in all of its transactions has been to reorganise and make cost-efficient what had been traditionally a family-held spread of businesses ranging from property to textiles, from wine to the mail order catalogue business.

BI-Invest yesterday announced it would seek a L40bn capital increase in May which would boost the group's share capital to L129bn. This would be achieved through the offering of shares on the Milan bourse, where BI-Invest and several of its subsidiaries are quoted.

BI-Invest has faced a heavy debt burden, which until the disposal of its Mira Lanza and Milano Assicurazioni stakes last year totalled more than L300bn. The group's present debt level is believed to be less than L200bn.

French retail groups advance

By Paul Betts in Paris

TWO LEADING French retailing groups, Galeries Lafayette and Carrefour, both report higher earnings for 1984.

Galeries Lafayette, the department store group, saw net earnings double to FFr 51m ($5.3m) compared with FFr 23.7m the year before. The earnings include an exceptional charge of FFr 58.2m on the group's stake in the troubled Radar supermarket chain. This charge was in part offset by special gains of FFr 24.1m.

Operating earnings before tax were substantially higher at FFr 95.7m compared with FFr 41.2m the year before. The dividend is going up from FFr 8 to FFr 8.36 a share.

At Carrefour, the major supermarket chain, earnings rose 20 per cent last year on a similar increase in turnover.

Net income rose to FFr 428m from FFr 356m in 1983. Revenue rose to FFr 39.3bn, against FFr 32.6bn. Depreciation and provisions were steady at FFr 576m.

● Essilor International, the French optical glass maker expects the rise in its turnover this year to match that of 1984.

The group's final results for 1984 were unchanged from the preliminary ones, with consolidated turnover up 16.8 per cent at FFr 2.87bn ($298m), said M Bernard Maitenaz, chairman.

It would be difficult to increase domestic sales but foreign markets were promising, especially those of West Germany, Italy, Britain and Spain, he said.

Olsen offshoots boost dividends

BY FAY GJESTER IN OSLO

NORWAY'S Fred Olsen shipping group reports a marked rise in pre-tax profits by its three stock exchange listed companies to a total of *NKr 178m ($19.6m) against* NKr 76m.

Dividend for the three is being increased to 20 per cent from 15 per cent. Offshore activities developed "better than expected," but returns on shipping were less satisfactory. A weaker result is forecast for the current year.

The 1984 improvement came despite a fall in operating profits, and reflects lower financial costs and a more than tenfold increase in profits from *share sales, which totalled* NKr 96m, against NKr 9m

Unrealised exchange losses on U.S. dollar denominated debts were NKr 109m at end 1984.

● Norcem, the cement and building materials group, which also has offshore interests, plans to boost dividend to 13 per cent for 1984 from 12 per cent. It also plans a one-for-10 scrip issue which will increase capital to NKr 449.2m.

This will be followed by a share split which will double the number of shares, while reducing par value to NKr 50 from NKr 100

Earlier this year, Norcem reported 1984 profits of NKr 175m, up 22 per cent from 1983. Turnover rose by about 2 per cent to NKr 3.45bn.

N. AMERICAN QUARTERLY RESULTS

CITY INVESTING
Insurance, industrial holdings

Fourth quarter	1984 $	1983 $
Revenue	—	—
Net profits	286m	54m
Net per share	6.20	1.15

CORNING GLASS WORKS
Glass products

First quarter	1985 $	1984 $
Revenue	382.4m	418.4m
Net profits	27.3m	29.2m
Net per share	0.64	0.69

HARTMARX
Clothing retailer

First quarter	1984-85 $	1983-84 $
Revenue	288.8m	274.4m
Net profits	12.53m	11.75m
Net per share	1.00	0.95

MGM/UA ENTERTAINMENT
Films, TV programmes

Second quarter	1984-85 $	1983-84 $
Revenue	61.5m	48.8m
Net profits	11.81m	11.1m
Net per share	0.40	0.38

INTERNATIONAL COMPANIES and FINANCE

Finance for gas project is key to Woodside bid

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE NEWS yesterday that Broken Hill Proprietary (BHP) and Shell Australia were bidding A$458m (US$307m) for the 57.4 per cent of Woodside Petroleum they do not already own did not surprise the markets, but it seems to have rattled Woodside, the key partner in Australia's biggest resource venture to date, the A$11.2bn North-West Shelf natural gas project off Dampier, in Western Australia.

Mr Bill Rogers, Woodside's new chairman, learned of the bid only at mid-day yesterday, and said it came as a complete *surprise*.

In Woodside's view, it was making sound progress towards securing its share of the financing for the project's second stage, an A$8.5bn programme involving massive exports of liquefied natural gas (LNG) to a group of Japanese power utilities.

That BHP and Shell—its principal owners—were far less happy about Woodside's chances of raising the necessary finance *quickly is strikingly clear from* their statement yesterday, which *stressed that the project was at* a "critical" stage, and claimed that 'the Japanese LNG buyers have not been satisfied as to Woodside's ability to meet all its commitments and performance obligations over the life *of the project*."

To date, Woodside has fully used the principal loan facility of US$1.1bn it signed in January 1981, as well as part of its standby facility of US$300m.

Late last year, Woodside's shareholders *approved a new* ownership structure for the LNG phase, in which Woodside's direct interest would be reduced from 50 per cent to 16.7 per cent.

That would have produced six joint owners: Woodside (which operates the project, and owns 50 per cent of the A$2.1bn initial—domestic gas—phase), *BHP, Shell, Chevron and Mimi* (the patronymic for Mitsubishi Corporation and Mitsui and Company of Japan, which plan to enter jointly).

It was thought last year that the funds raised by Woodside *in cutting its Stage II stake*, plus the revenues derived from its 50 per cent share of the domestic gas phase, would have enabled the company to fund *its share of the LNG phase with*out falling back on its major shareholders (BHP and Shell), and without needing a rights issue.

But all was not well with its rate of progress in securing *fresh capital—at least as BHP* and Shell saw it.

According to their statement: "The joint venture participants and LNG buyers need to commit formally to the project by mid-1985. This schedule is essential *if deliveries of export LNG are* to commence by October 1989.

"However, lower world energy prices and reduced revenues from domestic gas sales have made it clear to BHP *and Shell that Woodside is most* unlikely to be able to complete its financing arrangements and maintain the present timetable without a substantial strengthening of its equity base and general financial capability."

Further delay, said BHP and Shell, might jeopardise the entire export phase of this "vital national project," the projected earnings of which are likely to rival those of wheat *or wool, and the impact of* which is likely to reshape the Western Australian economy.

Yesterday, neither BHP nor Shell harboured any suspicion that their move on Woodside would be thwarted. Furthermore, *they say that final export* contracts are ready to be signed by the Japanese the moment they gain "clear-cut majority control."

For Woodside, the years of living dangerously seem finally at a close. *Formerly a tiny* wildcatter, Woodside lived bravely, raising astonishing volumes of cash with which to play poker with the big boys.

Under its former chairman, Mr Geoff Donaldson, it held some very good cards and ran some very good plays. Proud of its independence, it was determined to maintain its pivotal role on the North-West Shelf, *where it first struck gas in 1971*, however high the stakes. Yesterday, it seems, its luck ran out.

15 years for head of Cathay Plastics

By Robert King in Taipei

THE TAIPEI District Court has sentenced Mr Tsai Chen-Chou, head of several companies in the troubled Cathay group, to 15 *years' gaol for writing* U.S.$3m of bad cheques.

He was also fined the equivalent of $750,000 for the *offences, and will later face* charges of breach of trust, misappropriation of funds, and fraud.

Irregularities at Cathay Plastics, Mr Tsai's flagship company, first came to public *attention in February when the* Finance Ministry ordered an affiliate, the Tenth Credit Co-operative, to cease its lending operations for three days because its outstanding loans had exceeded legal limits.

A subsequent *investigation* by Ministry auditors revealed that nearly *$175m of the loans* had been to companies controlled by Mr Tsai, in violation of Taiwan's financial regulations that prohibit the lending of co-operative funds to corporations.

The investigation has resulted *in the most severe financial* crisis Taiwan has faced. Financiers fear that problems could arise in other parts of the Cathay group which, with about 70 companies under its umbrella, is one of the country's *five largest conglomerates*. Outstanding loans by foreign banks to group companies exceed $300m.

Ashok Leyland may form link with Hino

BY JOHN ELLIOTT IN MADRAS

ASHOK LEYLAND of Madras, India's second largest commercial vehicle manufacturer, is considering an engine collaboration with Hino of Japan and is also talking to BL about producing the Land Rover in a bid to improve its output after three years of stagnating demand for existing products.

Profits before tax declined in 1984 for the third year in succession. They fell to Rs 64.9m (U.S.$5m) on sales of *Rs 2.8bn* compared with Rs 69.2m on sales of Rs 2.9bn in 1983. In 1981 profits were Rs 150m.

BL's stake in Ashok, held by Land Rover Leyland International, is being reduced from 51 per cent to 39.8 per cent by next January through two debenture issues which will raise Rs 320m of working capital. One issue has already been made and the shareholding at present stands at 46 per cent.

The BL stake is being reduced to make Ashok an Indian company under the *country's Foreign* Exchange Regulation Act. This will free it from some statutory industrial controls.

Demand for Ashok's 10 tonne to 24 tonnes range of commercial vehicles and buses has *stagnated for three years*.

In 1984 it produced 14,500 vehicles (13,200 in 1983) in four factories which have a production capacity of 24,000. A Rs 2.7bn expansion plan to boost capacity to 40,000 vehicles by 1988 was cut back two years ago to a Rs 10bn expansion for 27,000 vehicles. The original programme was based on over-optimistic estimates of vehicle demand produced by the Indian Government.

The company has now decided it needs to improve the fuel efficiency and operating costs of its existing products and diversify into lighter vehicles.

After holding talks with companies such as Komatsu of *Japan and Fiat of Italy*, it is now negotiating with Hino of Japan for the transfer of technology for a six-litre engine. This would further increase the Japanese dominance of the Indian motor industry which has developed in the past three years. Some engines would be imported to begin with but all would be produced in India within about four years.

Ashok decided that the Cummins engines being produced for Leyland in the UK were not suitable for Indian conditions. Also Cummins already has a tie-up with Kirloskar, another major Indian engineering company.

The Land-Rover project — for the 90 and 110 models — is at a more tentative stage and *will depend on the Indian army* being prepared to order enough vehicles to provide a customer base. A Land-Rover team will be visiting Madras next month to explore possibilities.

John Elliott reports on the meteoric rise of a Dubai-based electronic equipment dealer

Chhabria returns to India for further growth

A DUBAI dealer in Sony electronic equipment has invaded the business world of India in the past few months, acquiring major stakes in established companies such as Dunlop India and Shaw Wallace.

He is Mr M. R. (Mano) Chhabria, a 39-year-old Indian from Bombay who has made sufficient money from distributing Sony and other electronic goods during the past 11 years to be expanding in several parts of the world at the same time.

"I am not going to put all my eggs into India. I want to become an Indian multinational *quoted on the New York Stock* Exchange," he says.

Last month he opened a $1m consumer electronics showroom called Logic Audio on Long Island in the U.S. which is intended to be the first of more than 100 retail outlets and recently he was negotiating to take over a New York company that would have given him his stock exchange quotation.

In the UK he has an import and export business and has been discussing the purchase of a chain of retail outlets. But in India a controversy has arisen *over his $26m purchase of a* 38.7 per cent stake in Shaw Wallace which he wants to achieve by buying R. G. Shaw of London from Sime Darby of Kuala Lumpur.

Shaw Wallace is one of many formerly British-owned companies based in the declining business centre of Calcutta which have been up for sale *recently in a series of contested* takeovers rarely seen in India.

The purchase has been opposed by Shaw Wallace's top management who encouraged a rival bid from Nabisco Brands of the U.S. The Indian Government's Company Law Board has received a number of complaints including allegations, denied by Mr Chhabria, that he is a front man for a secret Indian purchaser.

Share acquisitions by Indians living abroad (known as non-resident Indians or NRIs) have become controversial following the activities of Mr Swraj Paul, an Indian-born businessman living in the UK where he runs the Caparo group.

Until the Shaw Wallace fracas *Mr Chhabria usually avoided* the Indian laws and controls *that have dogged Mr Paul by* buying the foreign-held stakes of Indian companies. He did this, for example, when arranging with the Kuala Lumpur owners to buy the stake in Shaw Wallace held by R. G. Shaw. Such deals please sellers because, although the sale is *made to an Indian, they do not* have to deal with the Indian authorities and therefore usually receive their money quickly.

But such deals raise suspicions that non-resident Indian purchasers are recycling Indian "black money" owned either by themselves or by partners living in India. Purchasing the *shares, the argument goes,* launders such wealth into legal money and also brings it back into India.

"I am not in the business of money laundering. I am not handling the black money of any Indian individuals either," said Mr Chhabria.

His partner in some of his ventures is Mr R. P. Goenke, head of the rapidly expanding Duncans group of Calcutta, and a member of the dynamic Marwari business caste that dominates large areas of the country's industry and trade. He and Mr Goenke bought *equivalent stakes in Dunlop* India and he has just been appointed to the board of Bayer India, an offshoot of the German pharmaceutical company, where Mr Goenke has become chairman after buying a *9 per cent stake*.

Mr Chhabria's meteoric rise *started when he moved from* Bombay to Dubai in 1973 and started what he says is now a $100m turnover Sony equipment distributor called Jumbo Electronics.

His first investment back in India was made four years ago when he set up a company called Orson Video, with Sony taking a 24 per cent stake in the Rs 9m equity, in Bombay's *export processing zone to make* video tapes for export. Orson *Electronics was then formed in* Delhi with Rs 17.5m of paid-up equity to move into electronics manufacturing.

He stepped outside the world of electronics and into the Indian limelight late last year. First, from UK interests, he bought a controlling 39.9 per *cent stake for $1.5m in Gordon* Woodroffe, a leather processing and manufacturing company of Madras in southern India.

Then he joined up with Mr Goenke and both bought a 4.9 per cent stake in Dunlop India, from Dunlop Holdings of the UK, which reduced its own stake from 40 per cent to about 30 per cent. Mr Chhabria became chairman of Dunlop India and Mr Goenke's 25-year old younger son became the deputy managing director, while *Mr Eric Hammond, a Dunlop* executive from the UK, remained managing director.

Then came the purchase in Shaw Wallace, in which Mr Goenke declined to take part, apparently because he did not want to become involved in the liquor business. Mr Chhabria says that the computer software operation owned by Shaw Wallace particularly attracted him.

But he denies there is any overall industrial strategy to his *purchases outside electronics*. "Companies I have been offered that I like the look of I have purchased," he says. Now he is talking about consolidating for a time in India which he believes should make up about 25 per cent of his world-wide portfolio.

INTL. COMPANIES & FINANCE

MAN makes a stand against sale of commercial vehicle division to GM

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MAN (Maschinenfabrik/Augsburg-Nuernberg) has quashed suggestions that it will sell its commercial vehicle division—West Germany's second-largest heavy truck business—to General Motors of the U.S.

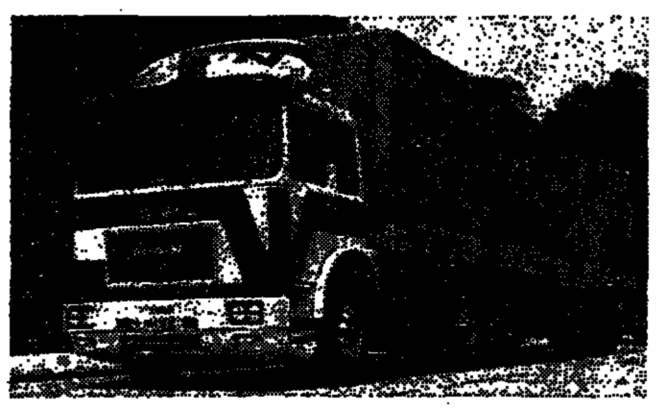
This is a considerable blow to GM, the world's largest automotive group, which has been considering various ways of increasing its presence in Western Europe's heavy vehicle sector, where at present it is represented by its UK subsidiary, Bedford.

GM is negotiating to buy a controlling interest in Enasa, the state-owned "Pegaso" truck company in Spain. The acquisition of MAN's truck interests would not only have given more opportunities for economies of scale, but would have provided a vital element in its distribution network throughout Europe.

However, Dr Gunter Dietz, worldwide head of sales for MAN's commercial vehicle division, insists his company's board is resolutely against the sale of the division, which is recovering rapidly from losses totalling more than DM 477m ($151m) in its past two financial years.

Disposal of the division would dramatically have changed MAN's character, because the commercial vehicle operations account for more than half the group turnover—DM 16.6bn in the year to end-June 1984.

Some talks are still going on, but directly with Bedford not with GM, says Dr Dietz. The original concept was to arrange a swap of some components between the companies but, according to Dr Dietz, there were no Bedford components suitable for MAN to use. However, Bedford might take a MAN engine, the DO2.



Dr Dietz maintains: "Our recovery is progressing according to plan. In some important areas it has gone considerably further than envisaged by the plans, for example, in the reorganisation of the whole of the model programme.

"We are now at break-even point and shall pass it next financial year, which begins on July 1 1985. There is therefore still some work to be done but there is no doubt that the objectives that have been set will be reached in the next one to two years."

Two recent deals should also boost MAN's recovery.

The first involves the break-up of the company's partnership with Daimler-Benz in MTU (Motoren-und Turbinen-Union) which was set up on a 50-50 basis in 1969.

D-B, the Mercedes group, will take full control of MTU on terms not officially revealed but estimated to produce DM 500m for MAN.

Dr Dietz says that MAN had for some years been considering the sale of its MTU interest, because there had been no transfer of engine technology between the two companies—the MTU engines are too large for that—and, although MTU has been profitable, profits had had to be ploughed back for future products. MAN's annual dividend from MTU had been only DM 10m, a small sum compared with the money invested.

Dr Dietz stresses, however, there is no question of MAN needing the cash from the sale of MTU to cover its losses. Losses had been covered by reserves. The MTU money is to be employed for the future model programme.

In particular he acknowledges that MAN will need a new heavy truck cab before long, but insists that it will be worthwhile for the company to develop its own, rather than become involved in a joint venture.

The second recent important deal for MAN is one to supply heavy, three-axle trucks to the China Industry Corporation (CIC), in China, for final assembly there. The basic contract has been signed, and a 10-year licensing agreement will be completed shortly.

CIC will install capacity for the assembly of 5,000 trucks a year, and hopes to reach that level of output in only two years.

The 22-30 tonne trucks will be used off-road for gas and oil exploration work.

MAN has agreed that the trucks can be powered by KHD (Kloeckner - Humboldt - Deutz) engines, also to be made under licence in China.

MAN will deliver almost 100 per cent of the other components in knocked-down kit form in the initial stages of the project.

The company also expects to continue to deliver built-up trucks to China—it has sold 500 in the past two years.

MAN's past difficulties stemmed from an order for 2,000 trucks for the Middle East, which was completed but then cancelled. This caused MAN and its parent group, GHH (Gutehoffnungshutte) West Germany's biggest engineering company, to take stock.

Dr Dietz says MAN decided that truck demand world-wide would never again reach the high levels of the late 1970s and that the company had to match capacity with expected demand.

MAN concentrated its production into fewer facilities, and the workforce was cut from 21,000 in October, 1981 to 15,000.

Dr Dietz maintains that MAN's break-even point is now down to 16,000 vehicles a year and output has only once been below that level in the past 10 years after the collapse of the deal with Iraq.

MAN's peak output so far is 27,000 vehicles in 1981, and last year it produced 18,500. This year production should reach 22,000.

Truck capacity is now about 27,000 a year on two shifts, and MAN can also produce a maximum of about 1,600 buses annually.

Dr Dietz declares: "We will be satisfied to keep production about 20,000 units a year. Western Europe, including West Germany, is becoming more and more like a domestic market for us. In the medium and long term we want to sell 80 per cent of our production there."

However, Arab markets, such as Saudi Arabia, Oman, Jordan and Kuwait will continue to play an important role, and "MAN will have an appropriate share in the opportunities that China has to offer."

MAN has also only started to tap the potential in the U.S., the world's biggest market for trucks and buses. The company has its own bus assembly plant in North Carolina which has delivered 1,800 vehicles since November, 1981. All told, there are over 2,200 MAN buses on U.S. roads, the rest provided from an earlier joint venture with American Motors Corporation.

Dr Gunter Dietz, worldwide head of sales for MAN's commercial vehicle division: insists his company's board is resolutely against sale of the division

MAN already sells components worth DM 300m to DM 400m a year to other companies—engines and axles to bus and coach makers such as Kässbohrer SETRA and Van Hool, as well as cabs and transfer cases to Faun, the Austrian truck company, and axle and diesel engine components to Daimler-Benz (which in return sells other components to MAN). Dr Dietz says that, as MAN will in future have more capacity for some components than it can use itself, his company will attempt to develop this aspect of its business.

GRANADA · HTV · LWT · SCOTTISH · THAMES · TSW · TVS · TYNE TEES · ULSTER · YORKSHIRE

You're about to learn something odd about Economic theory.

It doesn't work in practice.

Take the British commercial TV system; it's based on only *one* network. The American TV system, by contrast, is based on a selection of networks.

And yet British TV gives advertisers better value for money.

To understand how we've turned an Economics law on its head, you need to look at this particular example, of us versus the U.S., in greater detail.

Let's play oligopoly.

In New York, viewers have an excellent choice of channels. There are 3 affiliated networks, 3 Independents, 2 Spanish stations, 2 UHF channels, and 1 Public Broadcast non-commercial station.

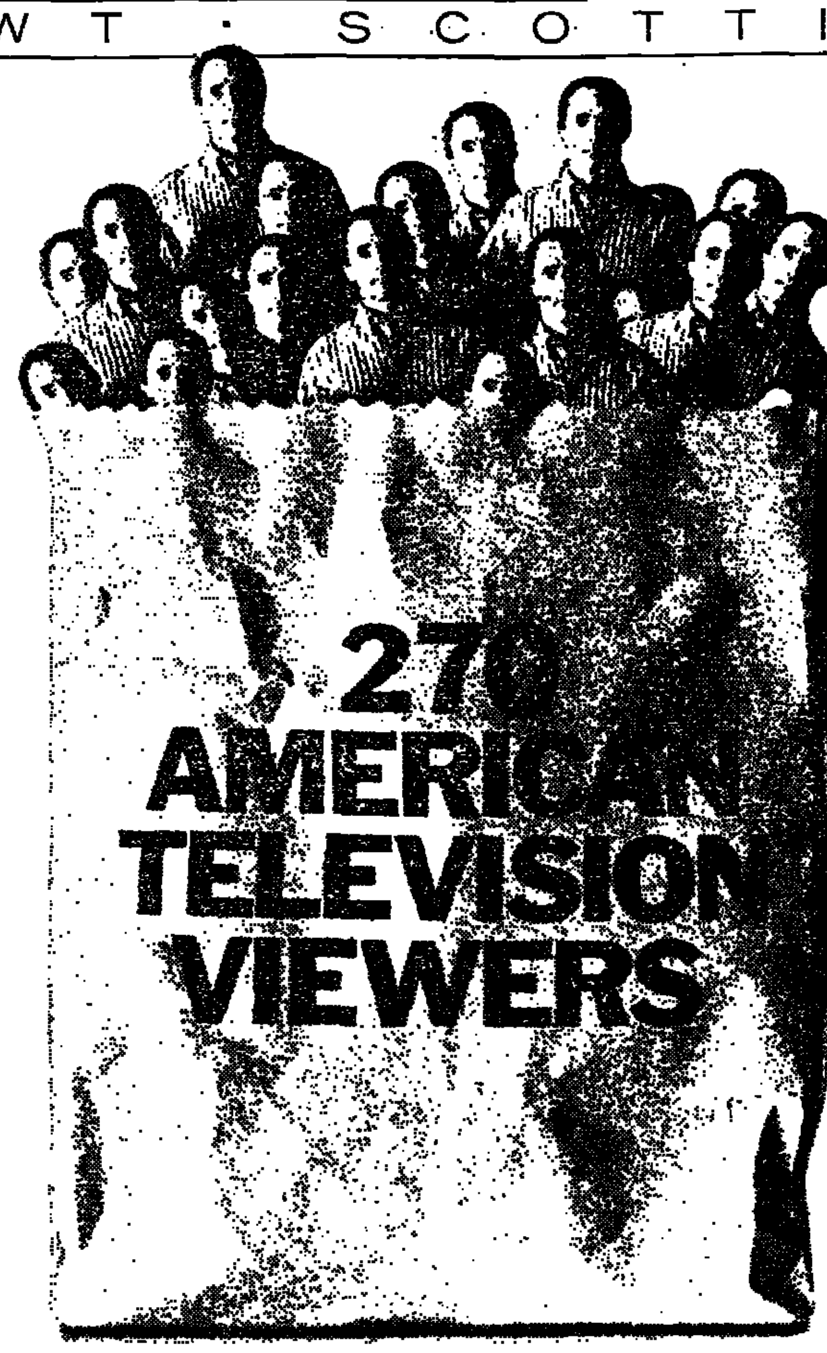
Loosely speaking, this is the equivalent of having ITV 1, 2, 3, 4, 5, 6, 7, 8 – and BBC 1.

You'd think that this embarrassment of riches would make airtime less expensive.

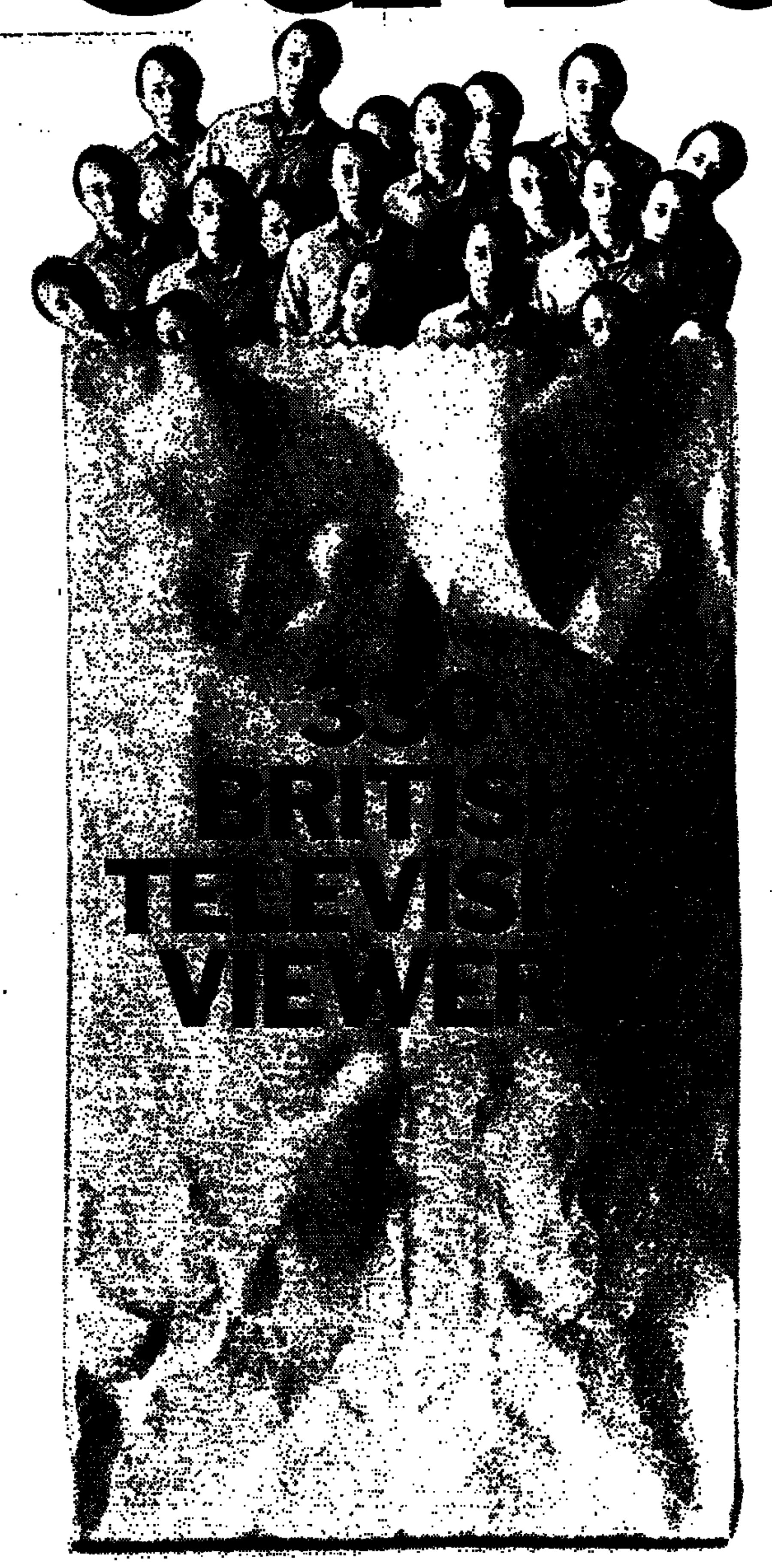
But, in 1984, their average Adult Cost per Thousand was £3.71.*

The comparative figure in Britain was only £3.00.

*1984 AVERAGE EXCHANGE RATE OF £1=$1.35.



What can you buy for £1?



This is because all those competing U.S. channels are chasing after one, finite, audience.

So the audience fragments, and it becomes harder to reach.

Which is very different from what happens in Britain.

Arfur talks to 'alf the country.

In Britain, a programme like Minder is watched by half the TV audience in the country. (Which may explain why we never see 'Er Indoors; she's indoors watching Minder.)

And the same goes for a great many ITV programmes.

In fact, using the ITV network, you can reach half the TV audience, *with a single ad, 7 days a week.*

In America, that only happens 3 or 4 times a year.

And it's the same story if you look at other countries' TV.

How to grab your viewers down under.

In Australia, for instance, they've got a whole tucker-bag of channels to choose from; but the 1984 average Adult Cost per Thousand was a staggering £4.30.

So, on Everage, it costs a lot more to reach those housewife superstars.

And, if you want to reach half the TV audience with one TV network, 7 days a week... you can't.

So it seems that Britain's one-network system guarantees the best value TV in the world.

And we mean to keep our place in that status quo.

But there's one thing more important than the status quo – the quid pro quo.

Which takes us back, translating very loosely, to our head-line.

ANGLIA · BORDER · CENTRAL · CHANNEL · GRAMPIAN

ITV AND CHANNEL 4 THE BEST VALUE TV IN THE WORLD

Smiths Industries up 38% to £20m

ALL SECTORS of the Smoths Industries group improved their profitability in the half year ended February 2 1985. Interest charges showed a reduction while currency translations benefited by £1.7m, and helped the pre-tax profit to advance by 38 per cent, from £14.63m to £20.18m.

The City was expecting this aerospace, medical, industrial and marine equipment group to produce profits in the £17m-£19m range. The shares reacted to the interim statement by closing 13p higher at 206p.

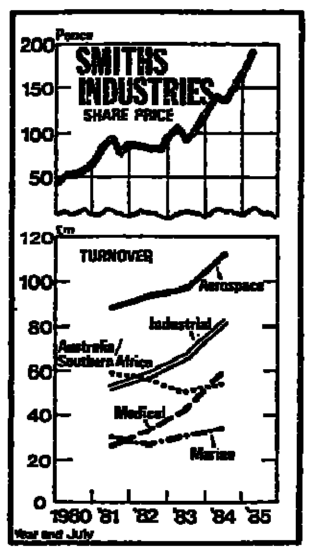
Since the end of the half year profits have continued "well ahead" of 1984, the directors report, and they expect this to be maintained. The weighting of the results to the second half is likely to be "somewhat less marked" than in previous years. In that period of 1983-84 the pre-tax profit was £21.53m.

In the UK-based activities gains in turnover and profit were widespread throughout all sectors and businesses. Additionally, first time contributions to half year results came from Downs Surgical and the Superflexit Group, acquired in March and September 1984 respectively.

In the U.S. the aerospace and industrial businesses registered significant gains, while the medical and marine activities held their high level of profitability. The South African economy remained depressed and a smal trading loss was incurred. The Australian companies continued to make steady progress.

Shareholders are to receive an interim dividend of 1.5p net, which compares with an effective 1.1875p after adjustment for a subdivision and one-for-one scrip. For the whole of 1983-84 a total equal to 3.5p was paid.

For the half year turnover rose from £178.4m to £197.2m and trading profit from £16.12m to £21.36m. Divisionally, the break-up shows:— aerospace £61.5m (£51.75m) and £6.91m (£5.66m); marine £16.85m (£13.6m) and £1.06m (£914,000); industrial £52.4m (£38.65m) and £5.16m (£3m); medical £38.75m (£23.3m) and £6.75m (£4.95m); Australia/South Africa £27.7m (£28m) and £1.48m (£1.29m).



Geographically, the analysis was:— UK £109.3m (£108.3m) £11.83m (£9.83m); overseas £92.5m (£72.85m) and £9.53m (£6.28m), less internal sales £4.6m (£2.7m).

Overseas Cars was sold in January 1985. Soon after the end of the period Smiths Industries Pty sold its 60 per cent interest in SIDP Pty to Diesel Kiki of Japan, its minority partner in this Australian vehicle air conditioning business. Unitex, a small manufacturer of synthetic rubber components, was bought in February 1985 to operate as a subsidiary of MacLellan Rubber.

There was a decrease from £1.48m to £1.17m in the charge for interest, reflecting a continuing reduction in borrowings. After tax £8.4m (£6.29m) and minorities £96,000 (£104,000), the net attributable profits is £11.69m (£8.24m).

See Lex

Revamping costs leave Molins £14m in red

MOLINS' was left with a retained loss of £14m in 1984 following a restructuring of its UK tobacco machinery manufacturing facilities, which have felt the impact of reduced demand.

Tobacco machinery sales declined from £99.2m to £87.4m but the fall in trading profits was more drastic from £12.3m to £4.9m.

Corrugated board machinery operations, however, returned to the black and, coupled with a £700,000 interest swing, lessened the impact at t he taxable level where profits fell by £1.1m to £6m.

This result was in line with market expectation at halfway when profits were £0.3m lower at £2.9m.

But the restructuring in the second half of 1984 and the early part of this year cost Molins £14.1m, which turned a post tax profit of £2.5m (£5.6m) into an attributable loss of £11.7m (profit £5.4m).

Despite this, the company is maintaining the dividend distribution at 7.9p with an unchanged final dividend of 5.7p.

Commenting on prospects for tobacco machinery, the company says that demand remains at a depresseed level, affecting all parts of this business.

However, with the exception of the packing machinery business, the UK units have fuller order books than was the case at the end of 1983....

In addition, the company says that from the second half of the year the business will benefit from a "more concentrated and flexible manufacturing base, better able to cope with fluctuating levels of demand."

Although "it is difficult" to give a precise forecast for 1985 as there will be a further impact from the restructuring, Molins expects to increase profits

● comment

Molins' figures for 1984 have turned out to be fairly much as expected—dull at the pretax level and dismal after extraordinary items. Demand for tobacco machinery around the world has been weak generally, especially for advanced equipment. Older machines have been selling reasonably well to places such as China, Russia and Indonesia but the margins are. thin. Meanwhile corrugated board made a welcome profit thanks to a jump in sales of over 50 per cent, but the outcome has been muted by a strong dollar. Still, the worst seems over at Molins and the current year should see a modest rise in profits, even if the first half is still affected by the costs of restructuring. Yet the real question for investors is when will the tobacco giants start ordering the new generation of machines in earnest. Molins' Mark 10, and the associated, packers, appear to be well received by the industry but it could be 1986 before demand really starts to come through. At some point profits should make a significant jump forward, though the cautious rightly want to see evidence that the tobacco companies are ordering before committing themselves to the shares. Meantime an 8 per cent yield at 142p makes for a safe income stock.

Dividend in prospect as Aurora doubles profit

A STEADY improvement in all trading areas other than fasteners has enabled the Aurora engineering group to lift its operating profit by 32 per cent to £7.4m for 1984. And a greatly reduced interest charge has given the pre-tax profit a near 107 per cent boost, from £3.19m to £6.59m.

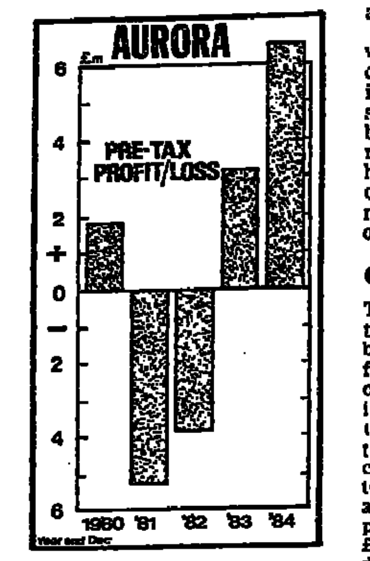
The directors say there was a particular good performance from the metals and tools sector, and the Australian company.

By the year end the order book was 20 per cent above the 1983 level. Performance in the early months of the current year is encouraging and prospects are good in the UK engineering and metal sectors, as well as in the overseas companies.

As foreseen in the capital reorganisation of 1983, no dividends are being paid on the ordinary shares. The fixed dividends for 1984 will be paid on July 1 in respect of the 9 per cent convertible cumulative redeemable preferred ordinary and the 6.5 per cent cumulative redeemable preference.

An additional participating dividend is payable on the preferred ordinary in each year after the end of 1985, provided that a minimum earnings level is achieved. This has been surpassed in 1984 and, if trading performance is sustained, a participating dividend will be paid in July 1986, at which time it is expected that ordinary payments will also be resumed.

Group sales for 1984 moved ahead from £91.34m to £104.76m. Related companies contributed £175,000 (£65,000) to profit and the interest charge was £981,000 (£2.49m).



Tax takes £2.52m (£909,000) and there is a minority credit of £3,000 (debit same) for earnings of 3.83p (2.2p) per share. There is an extraordinary credit of £377,000 (£1.94m) representing the recovery of the loan to the Scottish Brick Corporation, for which provision had previously been made.

The tax charge represents 38 per cent of the profit, compared with 29 per cent in the previous year. Major causes of the increase were the strong profit performance in Australia, prior year adjustments, and ACT on a full year's dividend.

A positive cash flow of £3.4m was generated despite higher capital expenditure and an increase in working capital to support the growth of sales. Net borrowings at the year end were reduced to 18 per cent of shareholders' funds. Investment will continue to be made in the modernisation and re-equipment of facilities.

● comment

The born again Aurora has taken the market a little by surprise by significantly exceeding profit forecasts from even the most optimistic of analysts. Among its major divisions the overseas (primarily Australia) contribution to operating profits increased by more than two-thirds to £2.7m. Metals and tools were also ahead strongly (by over 50 per cent) to a contribution of £1.7m. Fasteners, however, dropped 15 per cent as margins came under pressure from both import competition and higher steel prices. What the group must be hoping is that, as with Newman Industries recently, major shareholders of these shares will agree to a second capital reconstruction involving the conversion of the prefs on the grounds that these shares are now an obstacle to growth and a proper rating on the market. For 1985 pre-tax profits of £8m are expected by analysts, a prospective multiple of over 4 on 24p (and a 35 per cent tax charge) and assuming the conversion of all preferred ordinary shares into ordinary stock.

Pearl hit by £3.7m asbestosis claims

SEVERE LOSSES on its general reinsurance operations, including some large asbestosis claims, resulted in net profits of Pearl Assurance dropping 13 per cent in 1984 from £16.79m to £14.55m.

However, dividends for the year are lifted 15 per cent from 33p to 38p, the increase being justified by the directors on grounds of the strength of the group's life business.

Indeed, shareholders' life profits rose over 14 per cent from £14.09m to £16.13m, even though the shareholders' proportion of the overall surplus fell from 9.98 per cent to 9.65 per cent because of a technicality on certain industrial life policies. The company emphasises that there is no change in policy.

The profit contribution from the unit-linked operations fell from £630,000 to £480,000, reflecting not a decline in business but the setting up of a £250,000 reserve to ensure that policyholders taking out contracts at the time of last year's Budget get the tax relief even though the Inland Revenue will not allow it.

However, on Pearl's general branch operations an overall underwriting loss of £20.35m was recorded against £8.06m in the previous year. Despite a satisfactory improvement in investment income, the general branch recorded a trading loss of £10.33m, compared with a profit of £1.05m in 1983.

On the UK general insurance operations, mainly in personal lines, underwriting losses rose from £5.16m to £7.02m, not unexpected in view of the adverse weather early in 1984 and deteriorating conditions in the motor insurance sector.

The bad weather was a prime cause for losses on the property account rising from £2.24m to £3.13m, while losses on the motor accounts climbed from £1.85m to £2.59m. However, the UK general insurance operations overall made a trading profit of £1.62m, against £2.95m in 1983.

On the overseas an reinsurance operations, it was a different tale. Underwriting losses soared from £2.9m to £13.33m, and the trading loss from £1.9m to £11.95m.

The main impact on the overseas operations came from £3.66m of asbestosis claims on two reinsurance contracts accepted many years ago by the Canadian branch between 1949 and 1970. Because of the exceptional nature and late notification, the company is covering these claims by a transfer from investment reserves.

On the main reinsurance operations, there were heavy losses from the two U.S. reinsurance companies, Monarch Insurance and Community Reinsurance Corporation.

● comment

The market was taken completely by surprise when Pearl announced a drop in net profits last year of some 13 per cent. Analysts had expected the growth in life business to comfortably cover increased losses on the general insurance side. The life profits were up to expectations, if not exactly spectacular, and the losses on the UK general insurance side were as anticipated in a very poor market. What the market did not expect was the various skeletons all coming out of the general reinsurance cupboard at the same time. The company cliims that the reverse strengthening to meet the asbestosis and the other long-tailed claims should be sufficient and that losses on the general branch side should reduce this year. But this was said two years ago when Pearl made a capital injection into its U.S. subsidiary, Monarch. But taking the company's statement at face value profit growth should resume this year after last year's almighty hiccup. The 13 per cent dividend increase sweetener could not stop the market taking a gloomy view. After knocking the price by ¼ to £10⅞ the yield is 5.1 per cent.

Fads group surges to £1.78m

FURTHER SHARP progress over the second six months enabled A. G. Stanley Holdings to lift its 1984 profits nearly threefold and Mr W. H. Conroy, the vice-chairman, is confident of a further increase in the current year.

The group, which runs the Fads chain of DIY stores, saw its pre-tax profits surge from £596,000 to £1.78m from turnover a little under £1m higher at £55.82m. Second half profits amounted to £1.13m (£103,000).

Mr Conroy says there were four main elements behind the recovery—the closure of unprofitable stores, a significant reduction in costs (particularly interest charges), a marked improvement in gross margins brought about by a greater acceptance of own brand products, and the return to profitability of the wallcovering mill.

The dividend is being lifted by 1p to 2.5p net, thus restoring it to the level paid prior to 1982, the year group profits fell to £97,000—they reached almost £3m in 1979.

Pre-tax profits for 1984 were struck after interest charges of £152,000 (£407,000) and adding in a £25,000 surplus fromt he sale of tangible fixed assets, compared with a previous £149,000 deficit.

Tax accounted for £906,000 (£156,000) and extraordinary items for £1,000 (£98,000). Available profits came through £530,000 ahead at £872,000 from which dividend payments will absorb £634,000 (£313,000).

Earnings per share improved from 1.73p to 3.45p.

● comment

Stanley has taken a significant stride forward along the path of recovery with more than £1m of extra profit, pre-tax, on less than a £1m increase in sales. The story is that Stanley has stepped-up its proportion of higher margin own-brand paint from 40 to 60 per cent of sales and the cheaper priced products have captured a larger market share. Elsewhere, the wallcovering factory has been returned to the black with a £120,000 profit after £80,000 of redundancy costs against a small loss in 1983. Yet while Stanley no doubt has some further improvements to wring from its existing chain off 200 odd stores and its wallcovering plant, there must be some question over the future of a company heavily dependent upon selling decorative products—at best a static market—from high street sites. The price of 51p, which is close to net asset value and where the p/e is just under 15, appears to be looking for something more than steady growth from new store openings. Berger sits on 24 per cent of the equity and there is inevitably some bid speculation. But if Berger intends to make a bid it is certainly taking its time and if it does not want full control its presence seems of little benefit to other Stanley shareholders.

Steel Burrill tops forecast and pays more

AS INDICATED in the interim statement last October Steel Burrill Jones Group has "comfortably exceeded" its prospectus forecast of £1.9m pretax with a final figure of £3.05m for 1984, compared with a pro-forma £1.3m. This Lloyd's broker, which mainly deals with reinsurance in the London marine market, came to the USM in May 1984.

The directors say that the second half of the year benefited from increased brokerage which was not reflected in correspondingly increased expenses. They say that the current year has started well.

The final dividend is being recommended at 6p, in the light of the substantially better-than-forecast profit, making a total of 7.5p for the year. This compares with a forecast 4.9p. Earnings per share are shown as 18p (6.34p).

Brokerage produced £5.16m (£3.31m) and other operating income £821,000 (£560,000).

A. Fisher enhances U.S. position

Albert Fisher Group, which ultimately intends to split its business activities between the UK and the U.S., yesterday unveiled plans to acquire Coast Produce, a fresh fruit and vegetable distribution business located in Los Angeles, California.

A maximum £5.7m will be paid for Coast, which will complement the Carnival Fruit Company of Florida that Fisher bought last October in its first expansion outside the UK.

Details of the Coast acquisition accompanied Fisher's interim statement showing a more than trebled taxable profit of £1.48m, against £411,000, for the six months to end-February 1985.

Mr Tony Millar, chairman of the food distribution and services concern, says the results include a strong contribution from Carnival. In the UK, Stokes Bomford, among others, performed "particularly well."

Group turnover for the half year was nearly doubled from £18.88m to £35.82m. Earnings per share, after tax of £443,000 (£120,000), advanced from 1.49p to 3.2p.

Mr Millar tells shareholders, who in effect are in line for a doubled interim dividend of 0.66p to reduce disparity and a final of 0.84p, that progress in developing Fisher both organically and by acquisition will be sustained in the future.

Commenting on Coast, he says its sales have grown $7.6m to $14.1m over the three years to end-June 1984 with profits increasing from $495,000 to $820,000.

Audited accounts of Coast for the eight months to February 28 1985 show a pre-tax profit of $565,000 (£457,000) on sales of $11.3m.

Coast serves around 125 customers who together have over 500 outlets. Mr Millar says the acquisitions "represents an excellent opportunity to expand the group's activities in the U.S. and further advance its commercial and financial objectives."

In financing the purchase, Fisher has decided to follow its previous policy of ensuring that exposure to potential exchange rate fluctuations is limited, while at the same time containing borrowings.

The deal will be funded through a £2.8m five-year bank loan and a placing of 4.25m new ordinary shares at 123p each to raise approximately £5.23m.

● comment

The good interim figures from Albert Fisher show the first fruits of the company's expansion to the U.S. last year, which it is now rapidly following up with the acquisition of Coast Produce. On a pro-forma comparable basis, which includes Carnival and Stokes Bomford, pre-tax profits are up 23 per cent in the first half on turnover 10 per cent ahead, with the profit margin improved from 3.7 to 4.1 per cent. The Coast acquisition seems reasonably priced and is potentially of great strategic importance, given both California's key role in U.S. fruit and vegetable production and the opportunities for linking its customer base with that of Carnival. The establishment of a new co-ordinating office in the U.S. should help offset any concern that Fisher may be expanding too quickly in America, on top of its rapid UK growth, while the funding of the new deal through shares and dollar debt will keep the debt equity ratio at about 1:3. Assuming pre-tax profits of £3m are attainable in the full year, at 133p the shares are on a demanding prospective p/e of 25 and a yield of just over 3.

All divisions help Fitch to £1.3m

ALL DIVISIONS of Fitch & Company Design Consultants, performed strongly during 1984, and contributed to "excellent" growth, Mr David Legg, the chairman, says. Group pre-tax profits rose by over 30 per cent, from £1.02m to £1.34m, with £778,000 achieved in the second half, against £598,000.

The final dividend is being lifted to 3.61p (3.08p), bringing the total for the year to 5.31p (4.62p). Stated net earnings per 10p share are shown at 11.9p (10.1p).

The group, which moved from the USM to a full listing in September, operated in a "buoyant market" the chairman says. Turnover improved from £5.56m to £6.92m during 1984, and 1985 has begun well, he adds.

Fitch continues to acquire new clients, and Mr Legg is confident that present progress can be maintained. The group will continue to focus on design quality and on development of its organisation and systems.

In 1984 three new divisions were created—shopping centre, product, and building design, reflecting the continuing high level of demand for specialist design management services in the UK. Each of these new divisions is already making a significant contribution to the group, the chairman says.

During the second half of 1984, Fitch reorganised its overseas operations to concentrate all its resources in London. Offices in the Middle East and elsewhere were closed and their work is now controlled from the UK. The decision reduces its exposure to high operating costs and economic uncertainty, especially in the Middle East. Overseas trading losses, which include closure costs, amounting to approximately £0.3m.

The growth in the number of employees, and the increasing number of profit centres has been matched, he says, by the development of management and information systems. During the year the group invested about £0.25m in a fully integrated computer system to keep pace with its future information needs.

Operating profit for the year was £1.29m (£962,000). The pre-tax figure was struck after investment income of £60,000 (£74,000), and unchanged interest payable of £13,000.

Tax took £727,000 (£513,000), and, after dividends, retained profit emerged higher at £337,000 (£271,000).

Property helps M.Y. Dart raise profits to £0.3m

HIGHER PROPERTY profits helped M.Y. Dart, manufacturer of sports equipment, packaging materials and pyrotechnics, to achieve increased pre-tax profits of £301,000 in 1984, against £272,000, despite reduced sales.

The final dividend is being held at 0.5p, for a same-again total of 0.75p. Stated net earnings emerged higher at 1.6p (1.42p) per 10p share.

Dawes Cycles continued to perform well during the year, the directors say, and are confident that this will continue in 1985 due to the concentration on quality and a strong brand image.

The other sports and leisure companies experienced a fall in volumes in 1984, however, and margins were weak. Action was taken which resulted in further factory closures and personnel reduction, and this rationalisation is currently resulting in some recovery in margins and volumes, they say.

Packaging is continuing to trade successfully, they add, although demand for expanded polystyrene mouldings has not maintained its previous high levels. This division recently secured a significant contract from IBM, however, which will begin in mid 1985.

The pyrotechnics division had a poor year, due mainly to the loss of the major export contract, referred to at the interim stage. During the last three months of 1984 there was an improvement in orders as efforts were made to broaden the market base, and orders for delivery in 1985 already exceed total sales achieved in 1984.

The directors anticipate a further recovery of the group's business in 1985.

Total group turnover for the year reached £21.6m (£23.71m).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Ayrshire Metal	0.5	May 3	Nil	0.5	Nil
T. F. & J. H. Braime	1.5	—	2	3	3.5
British Dredging	1.5	May 24	1	2.5	2
Cussins Property	3.6	July 1	3.3	6	5.5
Erith	2	June 3	1.8	3.1	‖2.85
Expamet	3	May 31	2.75	5	4.75
S. W. Farmer	Nil	—	6.65	3.1	9.75
Ferry Pickering ...int.	1.1	May 10	1	—	2.7
Albert Fisher ...int.	0.66	July 5	0.33*	—¶	1*
Fitch & Co.	3.61	—	3.08	5.31	4.62
S. Jerome & Sons	2.13	May 24	2	2.82	2.69
Molins	5.7	May 29	5.7	7.9	7.9
M. Y. Dart	0.5	—	0.5	0.75	0.75
Pearl Assce.	24.25	June 12	21	38	33
Smiths Industries ...int.	1.5	June 14	1.19*	—	3.5*
Stanley (A. G.)	1.5	June 3	0.5	2.5	1.5
Steel Burrill‡	6	May 23	—	7.5	—
Sunleigh‡	0.25	—	0.25	0.25	0.25
H. Young ...int.	1.05	June 4	Nil	—	Nil

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Total 1.5p forecast. ‖ Including 0.2p special.

Textiles boost S. Jerome to £586,000

With a jump of 41 per cent in pre-tax profits from £417,000 to £586,000 at S. Jerome & Sons (Holdings) Mr W. Jerome, outgoing chairman, says he is confident that 1985 results will show an improvement on 1984.

The final dividends for 1984 is being lifted from 1.995p to 2.13p which raises the total from 2.689p to 2.824p. Earnings per share are shown moving ahead from 4.67p to 7.64p.

Turnover reached a record £16.27m (£13.26m) which broke down to: textile home £11.12m (£8.52m); textile export £1.74m (£1.58m); electronics home £3.39m (£3.13m); electronics export £19,000 (£21,000).

Textile trading profits climbed from £469,000 to £818,000 and Mr Jerome says that orders for the first quarter of 1985 are 31 per cent up on the same time last year. The division worked at full capacity throughout the year, and steps taken to improve sales and marketing in the weaving division proved successful.

Yarn manufacturing and finishing divisions also enjoyed a good year, making "excellent contributions" to group profits.

C. M. R. Electronics had a difficult first half, but made a "significant recovery" in the second half, says Mr Jerome. The electronics sales team has been strengthened to improve order input, but it is too early to see the success of this policy, he says.

Profits were struck after interest charges rose from £147,000 to £279,000

Mr. W. Jerome will be succeeded by Mr Alan Jerome.

LADBROKE INDEX

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Sunleigh falls to £0.18m but maintains dividend

PRE-TAX profits of Sunleigh Electronics fell from £401,880 to £179,316 in 1984, but the dividend is being maintained at 0.245p net.

The directors blame the poor results on the Sunbury Electronic subsidiary.

They explain that intense competition for Ministry of Defence business which makes up a large proportion of Sunbury's activities, led to a reduction in orders while overcapacity in the industry caused a reduction in profit margins.

Group turnover declined from £2.46m to £1.97m—Sunleigh makes electronic equipment and distributes optical equipment.

The directors are again waiving their entitlement to a dividend, thus retaining money in the company to finance future growth.

Tax dropped from £175,836 to £66,706 and earnings emerged at 0.49p (1.09p) per 10p share.

British Dredging 11.8% profit lift: payment up to 2.5p

IN A reasonable commercial environment, the British Dredging group increased its pre-tax profit by 11.75 per cent in 1984, from £1.21m to £1.35m.

The result, say the directors, is all the more creditable since the group did not have the benefit of the exceptional and abnormal business enjoyed by the shiprepairing activity which secured major contracts in the previous year.

Net earnings are up from 4.97p to 5.15p, and the final dividend is 1.5p for a net total of 2.5p, against 2p.

British Dredging Aggregates produced a small increase in sales and a substantial rise in profits. The largest ship returned to service a year ago after a major refit which should enable it to be operational for another four years.

BDC Concrete Products achieved a further major advance in sales and profits. The new plant at Stanford-le-Hope, Essex, acquired last November for £500,000, will enable it to provide a national coverage and maintain a substantial share in the growing market for paving blocks and allied products.

The site comprises 38 acres, and it is anticipated that any part which proves surplus to requirements will be either developed or sold profitably.

The site is only a short distance from the M25 and is ideally situated for the manufacture of interlocking paving blocks and other products in order to service the market in London, the eastern counties and East Anglia.

Commercial Dry Dock Enterprises, the Cardiff shiprepairing business, achieved a creditable profit given the fact that no major contracts were available to it during the year.

Group turnover in 1984 fell from £10.78m to £7.9m, but the cost of sales was greatly reduced and led to a gross profit, up from £3.26m to £3.65m. After tax £461,000 (£367,000) the net profit comes to £889,000 (£841,000 plus extraordinary credits (£170,000). Dividends will absorb £431,000 (£344,000).

The directorse report that the balance sheet remains strong, with net liquid resources of £4.2m.

Higher interest rates and pit strike affect Cussins

LOWER PROFITS of £1.33m pre-tax, against £1.5m, were attained in 1984 by the Cussins Property Group, reflecting higher interest charges arising from investment in prime commercial property.

Unit sales from housebuilding were depressed in the final quarter due to a combination of high mortgage rates and effects stemming from the miners' strike.

Despite this, Mr P. I. Cussins, the chairman, says that prospects for growth by the commercial division coupled with a sound residential programme give him confidence to look forward to a satisfactory outcome for 1985.

Cussins, which has close company status, is raising the final dividend from 3.3p to 3.6p for a higher total payout of 6p (5.5p). Earnings rose to 18.79p (18.16p) per 20p share after tax of £294,000 (£507,000).

The chairman says the commercial rent roll was around 61 per cent higher at £950,000 per annum at the year end. An independent valuation of investment properties at that date showed £12.1m (£10.3m). Net assets per share were 174p (153p).

A range of house designs in the Edwardian style is being launched on several hundred plots—Cussins' most "extensive" programme ever.

Planning consent has been received for a £10m town centre retail scheme in Peckham prelet to Argyll for a store at £245,000 per annum on completion. Also, terms have been agreed for 30,000 sq ft retail warehouse development on Tyneside.

Mr Cussins says the main uncertainty in the residential division has ended though the mortgage rate remains an adverse factor.

Erith tops £2m despite downturn in second half

THE IMPOSITION of VAT on housing alterations and additions, reductions in local authority grants and higher interest rates caused a downward trend in both sales and profits of builders' merchant Erith during the second half of 1984.

However, for the year as a whole the group raised its profits before tax from £1.85m to a record £2.04m and is lifting its dividend from 2.85p to 3.1p net per 25p share by a final of 2p.

On the current year Mr Gordon Fisher, the chairman, tells shareholders that the "extremely inclement weather in the first quarter has had a markedly adverse effect on building and construction activity and this must reflect itself in the first half results."

He adds that a clearer indication of the trend will have emerged by the time of the annual meeting, scheduled for May 30.

Turnover for 1984 pushed ahead from £44.26m to £49.18m.

Depreciation accounted for £507,000 (£448,000), the pension fund contribution for £312,000 (£273,000) and interest for £354,000 (£285,000).

Tax rose from £613,000 to £832,000 to leave the available balance at £1.21m, compared with £1.24m. Dividend payments will absorb £596,000 (£546,000).

Earnings per share slipped by 0.19p to 6.27p.

With midyear profits topping £1m for the first time the directors were looking for a record year. The only doubts cast were the uncertainties generated by the then industrial unrest, high interest rates and the longer-term effects of changes in VAT.

Mr Fisher has decided to reduce his business commitments and will accordingly relinquish the chairmanship of Erith after the annual meeting. He will be succeeded by Mr Graham Davies who will combine the offices of chairman and managing director. Mr Robert Erith has been elected deputy chairman.

Expansion to £0.34m at Ayrshire Metal

THE BETTER trend shown at halfway by Ayrshire Metal Products has accelerated into the second half, and for the whole of 1984 the group profit before tax has shot up from £56,000 to £338,000. After an absence of four and a half years dividends are resumed with anominal 0.5p net payment.

Although an improvement, the results are still inadequate in relation to capital employed, the directors point out.

For the first time since 1980 the company has made a trading profit, virtually all of which occurred in the second half. The trend has continued itno the first quarter of the current year.

In the year turnover of this light engineer and steel fabricator rose from £14.09m to £15.57m and there was a trading profit of £359,000, compared with a loss of £126,000. The pre-tax balance includes interest received £23,000 (£3,000) and interest paid £44,000 (£56,000), while last year took in other operating income of £235,000.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Dowding and Mills, London and Provincial Shop Centres, Martonair International, New Central Witwatersrand Areas.

Finals: William Baird, Burmah Oil, Connells Estate Agents, Fothergill and Harvey, French Connection, Howden-Stuart Plant, Hunting Petroleum Services, Lec Refrigeration, James Neill, Riley Leisure, Ruberoid.

FUTURE DATES

Interims—	
Audio Fidelity	Apr 18
Low (William)	Apr 19
Richards	May 30
Stewart Nairn	Apr 16
Warner Estate	May 10
Finals—	
Boosey and Hawkes	Apr 16
Brook Street Bureau	Apr 17
Camperi International	Apr 24
Garfunkels Restaurants	Apr 19
Hammerson Prop. Inv. Dev.	Apr 19
Hollis Bros. and E.S.A.	Apr 25
Microlease	Apr 12
Reed (Austin)	Apr 16
Renown Inc.	Apr 19
Scott and Robertson	Apr 23
Securities Tst. of Scotland	Apr 18
Silentnight	May 8
Sindall (William)	Apr 15

Expamet nears £3.5m and sees accelerated growth

POSITIVE ACTIONS taken by Expamet International over the past 18 months are beginning to show through in the group's results.

In the last year Expamet's scope has been extended significantly by moving away from dependence on mature products by adding growth opportunities through acquisitions.

For 1984 group turnover improved from £33.37m to £41.93m and profits at the pre-tax level pushed ahead by £565,000 to £3.35m.

A final dividend of 3p (2.75p) raises the total from 4.75p to 5p net per 25p share. Shareholders are told that after a slow start 1985 is expected to show accelerated growth and Mr Jeremy Beasley, the chairman, anticipates an outcome "well in advance of 1984."

With the addition of Apt Controls, where pre-tax profits of £900,000 have been warranted by the vendor for the year to March 31 1985, Expamet now has a security division with "good growth prospects."

The group's industrial products have expanded into the chemical processing, hi-tech and defence fields and new markets and opportunities have been opened in the U.S. and elsewhere and the market for their building products has been considerably widened.

Mr Beasley says that significant investment in the group's core businesses and in new, but related areas, coupled with a difficult housebuilding market slowed anticipated 1984 profit growth.

He adds that considering the important changes that were initiated over the period the group's performance was "more than satisfactory."

It is pointed out that while earnings per share improved by 24 per cent, the return on capital of 16.2 per cent (16.3 per cent) highlights the increased investment in acquisitions and productivity enhancements ahead of actual profits.

The two principal operating companies, Expanded Metal and Bat Building Products, both invested heavily in new production systems and controls at some detriment to short-term profitability.

IBC continued to grow and improve its basic business and produced a profit for the year.

The small American subsidiary faced difficult trading conditions and finished with a loss, though this was reduced from the previous year.

Further cost improvements have been implemented to make this operation profitable.

The joint venture company in Australia continued to expand its markets and produced "excellent" results.

The policy of expanding markets and product base in related areas continued. The directors concentrated on quality companies supplying niche markets. They say both Signfix and Apt are examples of this strategy, which they are confident will be successful.

The group contributed £151,000 (nil) to the employees' profit-sharing scheme in 1984.

Tax was little changed at £1.1m (£1.12m) but extraordinary items added £127,000 (nil).

Earnings per share came through at 9.49p, against a previous 7.64p.

• comment

Expamet with largely mature products in its industrial and building divisions is looking for growth from acquisitions, especially for its security division. In 1984 the group spent £2½m on five purchases and this year, so far, £5.4m has been paid out for two companies, including the most significant buy of the last two years, APT Controls, for £4.8m in January. It is APT that will see security become a real third string to the group's bow. Building has suffered lower margins (down 1.5 percentage points to 7 per cent) due to the fall in housing starts and the costs of digesting an acquisition.

In the U.S. the small Atlanta unit has suffered another setback—£150,000 loss this time against £250,000 in 1983—but is apparently not a candidate for disposal. Although the group is more hopeful of expansion in South East Asia the regions' construction business is not at its most buoyant. For 1985 the market is looking for £4.5m, that is a prospective multiple of 8 on yesterday's 109p, a shade light of their 1984-85 high.

S W Farmer hit by contract problems

S. W. Farmer Group, structural steelwork and platework manufacturer,slumped into the red in the second half of 1984 and has decided to pass the final dividend.

"Unacceptable losses occurred in the second six months on a number of contracts," says Mr B. D. Farmer, the chairman and chief executive.

After falling to a near break-even situation at halfway the group finished the year £1.53m in the red pre-tax compared with a £529,000 profit in 1983. Turnover was up from £15.52m to £19.14m.

In addition to the contract problems, the plant hire side was a "dul" performer where 1983's acquisition of the Uxbridge depot was "not successful." Farmer is disposing of this depot.

Also, the Australian operation, while small, has "been most unsatisfactory" and management has been strengthened.

The group's retained loss for the year amounted to £1.19m, against £110,000, after tax credits of £420,000 (charges £323,000), minorities, extraordinary credits of £16,000 (debits £70,000) and payment of an unchanged 3.1p interim dividend.

The loss per share, pre extraordinaries, was 43.28p against earnings of 8.19p.

"The future situation will still be difficult," says the chairman. But he says the board is confident that a return to profit will not be long delayed.

H. Young starts to feel benefits and resumes dividend

WHILE THE full benefits of the recent transactions carried out by H. Young Holdings will only come through over the medium term, the eight months ended January 31 1985 have produced a profit of £313,000 and demonstrate progress which has been made since June 1984.

There has been a major step forward in developing the group as a soundly based distribution and financial services undertaking. The directors have great confidence in the growth potential of the businesses acquired recently, and are "particularly pleased" in being able to return to the dividend list, with an interim of 1.05p net. This is the first payment since 1974.

Up to August 1984, the company's main business was the operation of a Mercedes-Benz motor dealership in Surrey. It then acquired Readygas, a supplier of industrial and commercial gases, and followed this up with the purchase of Burlington Investments, Carroll Radford Holder (Lloyds insurance broker). It then disposed of the motor business (Puttocks) and recently purchased Luc Lacerre et Fils, a wine distribution business.

The current accounting period will run to July 31; figures for the eight months comprise H. Young (eight months), Readygas (six months), Carroll Radford Holder (one and a half months), Burlington (three months), Puttocks Properties (eight months), and Puttocks (six and a half months).

Turnover for the period came to £4.64m and trading profit reached £390,000. After tax £122,000 and minority £1,600, net attributable profit worked through at £190,000 for earnings of 6.62p per share. The continuing businesses accounted for £1.54m of turnover and £263,000 of pre-tax profit. There is an extraordinary credit of £130,000 relating to the profit on the disposal of Puttocks and the related freehold property, less costs incurred.

In the six months ended November 30, 1983 the company made a profit of just over £30,000 from a turnover of £2.63m; by the end of the year to May 31, 1984 the profit had reached £97,000 from sales of £5.51m.

The directors express their delight with the acquisition of Readygas. The cold weather in January enabled it to far exceed its previous record sales of gas, and the effect on gas sales by the cold snap in February and March will benefit the second half. The tool hire business continues to grow.

Burlington is currently advising on a number of projects for clients interested in raising finance, mainly under the Business Expansion Scheme, and increasing contributions are expected from it. They anticipate growth in the insurance broking business, and the wine business will contribute to results from mid-March.

BIDS AND DEALS

Haden's defence comes under Trafalgar attack

BY MARTIN DICKSON

Trafalgar House, which is making a £37m contested takeover bid for Haden, yesterday launched a major attack on the engineering company's financial performance and expressed concern that it might be "over-trading on a significantly reduced asset base."

The broadside came in a letter to Haden shareholders in response to the target company's defence document, which incorporated its 1984 results.

Haden had said that it had a strong balance sheet at the end of 1984. Trafalgar expressed "significant concerns" about the position, following an examination of the published Haden figures and its 1984 source and application of funds statement, which was not included

Trafalgar says as a result of 1984 losses, net assets attributable to ordinary shareholders have declined by 18 per cent during the year from £26.5m to £21.7m.

Haden's liabilities to creditors and deferred tax provisions, it adds, rose by £20.4m during the year, an increase of 28 per cent over 1983, after allowing for sales and purchases of companies in the year. The vast proportion of this increase appeared to be accounted for by trade creditors.

Net cash and investments were down by £2.7m over the year and stocks and work in progress were up by almost £20m to £50.7m. "Could this be due," Trafalgar, "to release of provisions to reduce the 1984 losses or difficulties in securing progress payments?"

Trafalgar added that Haden's 1984 results were "extremely disappointing, with earnings per share of 4.7p down by 81 per cent from 24.4p in 1983 and dividends paid entirely from reserves. It had given no results forecast for 1985 and was operating in fiercely competitive and cyclical businesses.

Trafalgar repeated that its 240p-a-share cash offer valued Haden fully, but shares in the company closed last night unchanged at 300p.

Mr Philip Ling, Haden's managing director, said last night that the Trafalgar offer remained "absurdly low." Haden still had "plenty of shots in the locker," while Trafalgar was just producing "knocking copy"

Tootal urges rejection of Entrad

BY ALEXANDER NICOLL

Tootal, the UK thread and textile group which is fighting a £128m bid from Entrad, the Australian textile and clothing group, yesterday urged shareholders not to let it "fall into the hands of a financially stretched and commercially localised company like Entrad."

Mr Alan Wagstaff, Tootal chairman, reiterated in a letter to shareholders that pre-tax profits in the ending next January are forecast to rise to £27m from the previous year's £22.8m, with earnings per share up to 9.3p from 7.5p.

He added that the forecast includes £1m from the company's West African batiks business, which is not classified as a mainstream activity because of its volatility. "This business has had an excellent last three months," he said.

The group's forecast dividends of 4p per share for the current financial year will be 2.3 times covered by forecast earnings per share, Mr Wagstaff said.

Entrad's final bid of 72½p per share—which compared with yesterday's closing price of 70p, down 1p,—represents 7.8 times Tootal's forecast earnings, he said. Of the recent 2½p increase in Entrad's bid, he said: "We believe Entrad could only offer such a small increase because it is already so financially stretched."

According to Tootal calculations, Entrad's gearing was 150 per cent last June and would rise to 350 per cent after the £121m borrowings needed for the bid.

Mr Rod Hartley, Entrad managing director, countered that Entrad's gearing was less than 70 per cent now and that the sharp rise resulting from the purchase of Tootal would be offset by a rights issue in Australia.

Entrad has also questioned the reliability and make-up of Tootal's profit forecast. Its bid closes finally on April 18. It holds 7.1 per cent of Tootal.

Great Western U.S. expansion

Great Western Resources, the London listed company with entirely American oil and gas assets, yesterday announced a deal worth up to $23m to expand its U.S. interests.

Great Western said it had agreed to buy the oil and gas interests of Whittaker Corporation, a major U.S. company. The deal covers Whittaker's interests in New Mexico, Texas, Oklahoma, and North Dakota.

The agreement is conditional on the production of a satisfactory report by petroleum consultants on the Whittaker interests and Great Western shareholders. Great Western will *pay around $10m through a* vendor placing and a 25 per cent interest in the net profits attributable from Whittaker's interests amounting to a maximum of $13m.

The deal includes Whittaker's stake in the Martin joint venture in the San Juan Basin, New Mexico. This covers around 13,840 acreage with 30 existing producing oil and gas wells and a significant number of drill sites.

The 30 wells have a net production of 657 barrels of oil per day and 335m cubic feet of gas per day. This would produce an estimated net total of 699 barrels *per day.* The average net revenue interest is 72.1 per cent, according to Great Western.

Whittaker also has an interest in the KMI joint venture which is spread across Texas, Oklahoma, New Mexico and North Dakota. This includes interests in 10 oil wells and 13 gas wells. Net revenue interest is approximately 44 per cent.

The total net production from the nine producing wells is approximately 116 barrels of oil per day and 2,800m cubic feet per day, making a total net production of around 466 barrels per day.

Saxon Oil could enter Petrolex bid battle

By Frank Kane

Saxon Oil, the fast-growing independent oil company, emerged last night as a potential contender for **Petrolex**, which has been fighting off an unwanted offer from Clyde **Petroleum**.

A senior executive confirmed that Saxon had been in discussions with Petrolex, but declined to confirm that this was with a view to making a counter-bid to Clyde's 75p per share offer—6p below current market price—which has met stiff resistance from Petrolex.

Clyde has been advised in the increasingly acrimonious exchanges with Petrolex by Singer and Friedlander, which until recently was also adviser to Saxon. J. Henry Schroder Wagg is now advising Saxon.

Saxon's role came to light yesterday as Singer and Friedlander approached the Takeover Panel on Clyde's behalf to seek clarification of Tuesday's announcement by Petrolex that there had been an aproach from another possible bidder. Clyde blamed the announcement for withdrawals of some acceptances of its £1.75m all-cash offer. Acceptances totalled 19.31 per cent.

The Panel said yesterday that it was satisfied that bona fide negotiations were taking place with a third party, and expected the matter to be clarified within a matter of days.

With regard to a request from Clyde that the date for acceptances of its offer should be extended, the Panel said that at the moment the matter was hypothetical, but that if an alternative bid fell through it might extend the deadline to allow for days lost since the Petrolex announcement. As *things stand, the closing date for* acceptances is April 21.

There would be an element of irony if Saxon were to thwart Clyde's attempt to acquire Petrolex. In 1983 Clyde put in a £11m bid for Saxon, which was reluctantly recommended by the board. But during the six-week offer period a North Sea oil discovery pushed Saxon's share price above the Clyde offer, and the recommendation was withdrawn.

Clyde's shares closed down 2p last night at 95p while Petrolex was up 1p at 81p. Saxon was unchanged at 470p.

Halfords raises £13.5m from sale-and-leaseback

Halfords, which was acquired from Burmah Oil by Ward White last November, has raised £13.5m in a sale-and-leaseback deal on 15 of its prime High Street properties.

At the time of the Ward White deal, it was announced that part of the consideration due to Burmah would be paid out of funds raised through the sale of some Halfords stores.

Halfords said the 15 properties *sold had formed three separate* packages although it would not disclose the number or identity of any of the buyers. Each of the properties has been leased back by Halfords on 25-year terms with five-year rent reviews.

Mr John Sharp, finance director of Ward White, said that no other store packages were currently being offered to buyers.

Halfords, which has 360 outlets nationally, also disclosed yesterday that it has acquired 21 stores from the receiver of Motorist Discount Centre. Between *them, the properties* provide over 30,000 sq ft of selling space.

Spectrum warns of loss as returned goods mount

Spectrum Group, USM distributor of home computers and associated products, saw its share price drop 25p to 50p yesterday after announcing that it may incur a loss for the first six months of the 1984-85 year.

Mr Michael Stern, the chairman, said profitability had been *affected by difficult market con*ditions in the half year to December 31 1984, and pointed to the "need to contend with the inordinately high level of returned defective products prevalent in the industry."

He also blamed price discounting and the erosion of gross margins for the possible deficit which would compare with a profit of £1.06m for the six months to end 1983.

In the full year 1983-84 Spectrum turned in a profit of £1.74m, £35,000 above the forecast in the placing prospectus, on turnover of £29.8m.

The chairman said group efforts to assist retail members by providing them with stock replacements or credits for defective returned goods have necessitated a critical review of stock and debtor provisions. Expenditure has also been incurred in developing a number of new related activities.

Mr Stern said action had been taken to correct the trading position, including new arrangements with major suppliers and further emphasis on the introduction of *new products to strengthen the* group's range, but that there would not be any material benefit until the autumn.

Charles Hurst accepts £4.3m revised bid

Garvagh Securities, a privately owned company, yesterday revised its agreed bid for Charles Hurst, the Northern Ireland motor dealer and repairer and said that the bid was now being recommended by Hurst's independent directors.

The revision by Garvagh, advised by S. G. Warburg, will allow shareholders to receive and retain Hurst's second interim dividend of 4p, making a final dividend of 6.75p for 1984. Carvagh is offering 200p a share in cash for each Hurst ordinary compared to yesterday's unchanged price of 185p.

Hufrst made £1.16m pre-tax profits last year, against £1.02m, on turnover of £67.5m. Mr C. T. Hurst, Mr T. B. F. Thompson, Mr R. J. Gillanders and Mr K. H. Cheevers have waived their rights to the proposed second interim amounting to a total of £33,000.

James Wilkes

Commenting on prospects at the annual meeting, Mr A. T. Brain, chairman of **James Wilkes** told members that he expected pre-tax profits in 1985 to be not less than £1m, which would compare with the £769,658 achieved in 1984. He also anticipated an effective 25 per cent increase in the dividend after allowing for last year's one-for-four scrip.

He said that the 1984 results represented a remarkable turnaround in just over three years, and said that the group had an ideal base from which to expand, both from existing activities and by acquisition.

MINING NEWS

Michael Thompson-Noel on the second Kidston gold rush

Moneyspinner in Queensland

"Kidston, to me, is nearly a kind of religion."

With those words, Mr Allen Born, chairman of Canada's **Placer Development** conjurs up something of the zeal that lay behind the April 4 opening of Australia's newest and largest active gold producer, the Kidston gold mine in north-east Queensland.

The first Kidston gold rush started in 1907 when two prospectors, Charlie Mack and William Barry, found gold on the Copperfield River, 280 kilometres west of Townsville. By the late 1940s, when all activity had ceased, about 45,000 ounces of gold had been won.

However, the second Kidston gold rush will be vastly more lucrative, and certainly more orderly, than the first, for in its first year alone, the new Kidston mine is expected to produce 281,000 ounces of gold and 164,000 ounces of silver, vaulting it to the forefront of the Australian gold scene.

In addition, the recent plunge of the Australian dollar promises something of a bonanza.

This is good news for Placer, which initially found it hard to attract Australian partners for Kidston. It approached many of Australia's biggest companies, but found itself rebuffed. Finally, Elders-IXL, a Melbourne-based conglomerate, agreed to put its money on the table, and Kidston was in business.

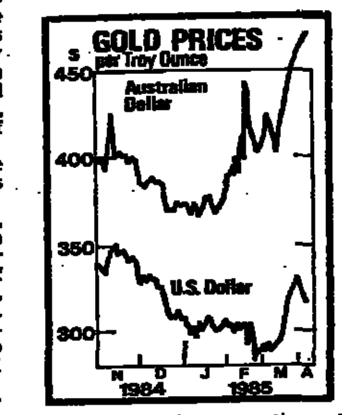
Placer currently has 70 per cent, Elders 15 per cent, and public shareholders 15 per cent. Some time next year, Australian equity in the project will be raised to 45 per cent.

It is not a high-grade mine; but it promises to be a money-spinner that will help emphasise Australia's status as a modest but significant gold producer. Reserves at Kidston are estimated at 44.4 tonnes of ore averaging 1.79 grams of gold and 2.22 grams of silver per tonne, an additional 20m tonnes of possible ore having also been identified.

Costs will be low, for this is an open-cut mine. The initial 12-month cash operating cost, including royalties and payments to contractors but excluding debt-servicing costs of about A$8m, is estimated at A$317 per ounce of gold in 1984 dollars.

Gold production is expected to average approxiatemly 196,000 oz per annum over the first five years at an estimated cash cost of A$195 per ounce in 1984 dollars.

Thereafter, production is expected to fall as both the percentage of oxide ore mined and the head grade falls, so that average production over 10 years is projected at 159,000 oz



per annum at an estimated average cash cost of A$226 per ounce in 1984 dollars.

In its prospectus, Kidston said that based on an average gold price of US$375 per ounce and an exchange rate of A$1 equals US 85 cents, the mine would expect to pay a dividend for the nine months to December 1985 of 12 cents per share.

However, the Australian dollar has sagged badly of late, to around US 65 cents, which explains the recent sharemarket boom Down Under, with investors *plunging into* resource stocks—particularly gold and oil and gas.

At US$320 per ounce of gold and an exchange rate of A$1—US 65 cents, Australian gold producers receive nearly A$500 per ounce. As a result, Placer could decide to pay one or more bonus dividends on Kidston, whose 1985 revenues are likely to benefit substantially from the plight of the Australian dollar.

Over the past four years, exploration for gold in Australia has risen from 16 per cent of total private exploration expenditures to about 36 per cent last year. Over the same period, *production* doubled from 18,374 kg in 1981 to an estimated 37,300 kg in 1984, with exports last year valued at A$418m, or 3.7 per cent of Australia's total mineral exports, valued at A$11.3bn. Australia earned far less from gold than from its Big Three (coal, iron ore, and alumina), but more than it earned from copper, nickel, or uranium.

Western Australia accounts for more than 80 per cent of Australia's gold production, with Western Mining Corporation (WMC), which owns two mines and has equity in several others, the biggest producer.

Apart from Kidston, plans for new mines in the immediate future, all in Western Australia, include Harbour Lights (Esso and others), Padington (Pancontinental Mining), Blue Bird (Endeavour Resources), and Broad Arrow (Samantha Exploration and others).

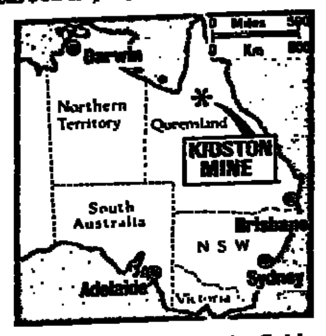
Projects lining up include Mount Leyshon, in Queensland (Noranda and Panaust), Roxby Downs, in South Australia (WMC/BP), and, in Western Australia, Australian Consolidated Minerals' Big Bell and Golden Crown prospects near Que, plus the Boddington deposit (Reynolds, Shell, Broken Hill Proprietary, and Kobe Alumina Associates).

Australian gold producers pay no corporate tax. However, Queensland levies a gold mining royalty, which is Kidston's case will be the lesser of 2 per cent of gross revenue or 5 per cent of profits until July 1 1989, and the greater of 2 or 5 per cent thereafter.

Apart from sensitive tax treatment and devaluation of the local dollar, one of the keys to the current gold rush Down Under is improved mining and ore treatment methods.

At Kidston, which is located in semi-arid bush, Placer has spent A$138m (A$6m less than budgeted) building an ore treatment plant, a 39-metre-high dam, a 300-kilometre powerline, laboratory, workshops, and posh motel-type accommodation for 150 employees.

Kidston's treatment plant, designed to handle 7,500 tonnes of primary ore per day, uses the carbon-in-pulp recovery system



also utilised at Placer's Golden Sunlight and Cortez gold mines in the U.S.

Full-scale production at Kidston began on April 1. One of the few problems encountered during construction involved crocodiles slithering up the banks of the dam, but "they were only little fellas, Mike, maybe five or six feet."

There are almost no reminders of the first Kidston gold rush. By April 4 1908 there were 600 mines at Kidston, and 6,000 ounces of gold had been won. Eleven days later there was a major dispute caused by "sly-grog" (illegal drink) sellers. In March 1910, malarial fever swept the field.

There are no ghosts left—just *gum trees and* wallabies, plus the gentle rise of the Wises Hill orebody, a dung-coloured mound flecked with gold which the Placer chairman approaches with reverence.

Some movement in metal markets after long slumber

BY KENNETH MARSTON, MINING EDITOR

THINGS ARE stirring in the metal markets after a long slumber. As far as gold is concerned, it is too early to tell whether the price has at last broken out of its bonds but, at least, the bullion market is now chary of being short of the metal after having been badly caught on the wrong foot last month when the U.S. dollar started to look uneasy.

The next few weeks could be crucial for the gold price and, possibly, for the U.S. dollar which now appears to be coming under increased domestic economic pressures.

A fall in the value of the dollar is reflected in a rise in the dollar price of gold, of course, but other things being equal it would mean lower gold prices in terms of other currencies.

Other things, however, are rarely equal. Among them is the possibility that a further weakening of the dollar would result in funds which have been flowing into that currency moving out into other havens, including gold.

This would result in the bullion price rising in terms of all currencies, but whether such a development will come about remains to be seen.

In the meantime, changes in the gold price continue to be dictated by exchange rates. A rise in the dollar price helps the U.S. gold mines and, to a lesser extent, those in Canada. Unless the South African rand weakens further—it has steadied recently—the higher U.S. price will not help the mines in that country.

But it is benefiting the gold producers in Australia because that country's dollar has weakened sharply in recent weeks. Consequently, Australian gold share prices have been moving ahead.

An index of them prepared by Australian brokers Jackson, Graham, Moore and Partners has risen by 75 per cent this year; the equivalent London prices have gained less because of the relative strength of sterling.

What of the base-metals? The interesting thing is that for most of them, supplies for immediate delivery are none too readily available despite over-supply in terms of world mining capacity.

In some cases, notably copper, much of the high-cost productive capacity has been closed down and consumers have been steadily eating their way through stocks.

Copper stocks are now relatively low in both New York and London and prices have begun to move up from their depressed levels. Part of the recovery in prices, notably in sterling, reflects the fall in the dollar in which most metals are priced.

But there is also a healthy demand for the metal, and copper has just begun *to rise in real* terms just as zinc has already done. Of course, any sustained rise in copper would trigger off the reopening of closed-down productive capacity.

Still, copper prices would need to rise considerably from their present levels of just over 65 cents per lb before the high-cost producers—such as those in the U.S. who need around 75 cents to break even—would feel sufficiently confident to re-activate closed down mines.

While some sectors of the mining sharemarket have begun to scent a wind of change, it is far too early to tell whether the present tentative movement in metal prices will prove to be any more than *just another false* start. At least, however, there is hope that the next month or two might provide a little more interest.

As reported here last month the U.S. Phelps Dodge is seeking a buyer for its 44.6 per cent stake in the Black Mountain lead-copper-silver mine in South Africa. In Johannesburg yesterday Mr Patrick J. Ryan, a senior vice president of Phelps confirmed that talks had begun with potential buyers, adding "we will only sell if we can get the price that we think it is worth." Gold Fields of South Africa, which owns the rest of Black Mountain, has a pre-emptive right to buy the Phelps' stake but is not negotiating, according to Mr A. M. D. Gnodde, chairman of Black Mountain and deputy chairman of GFSA.

MINING NEWS IN BRIEF

America's **Newmont Mining**, in which **Consolidated Gold Fields** has a holding of 26 per cent, has discovered a sizeable gold deposit near its major Carlin open-pit mine in Nevada that might be mineable at a grade high enough to be successfully treated by the cyanide process. Ore reserves and production plans will be evaluated this year. In Western Australia increased ore reserves at the company's Telfer gold operation could lead to an expansion in production.

* * *

The **Rio-Tinto-Zinc** group's 52.8 per cent-owned Canadian arm, **Rio Algom**, expects a further improvement in earnings this year, particularly if there is a "significant" rise in the price of copper. The new East Kemptville tin mine in Nova Scotia will not contribute to 1985 earnings but is expected to be a "meaningful contributor in 1986 and later years" according to the annual report.

* * *

Canada's **McFinley Red Lake** Mines has completed the first stage of its development programme for the good grade gold property in the Red Lake area of north-western Ontario and has completed financing arrangements for phase 2 of the underground programme which should take the mine to the production stage. New Sabina Resources comes picture via its stake of 17 per cent in McFinley Red Lake.

* * *

Australia's **West Coast Holdings** is to bring to production two small new gold mines by the end of this month. The newcomers, Eureka and Hawkins Find, will raise West Coast Holding's gold output to 12,000 oz a year.

* * *

Wimpey Mining has been formed to co-ordinate the UK open-cast coal mining operations of the George Wimpey group. Wimpey is the largest open-cast coal mining contractor in Britain and has operations at six sites in Scotland and Wales.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1983							
4th qtr.	103.5	98.1	100	109.9	151.4	2,941	162.0
1984							
1st qtr.	104.0	98.9	103	109.0	123.5	2,998	147.0
2nd qtr.	101.8	99.7	107	111.6	130.7	3,026	154.0
3rd qtr.	102.1	101.0	106	112.5	133.8	3,076	165.1
4th qtr.	103.3	101.1	103	115.1	164.0	3,103	166.5
October	102.8	100.4	106	113.6	140.3	3,100	170.5
November	103.3	101.2	103	114.4	150.2	3,102	167.6
December	103.8	101.7	102	117.0	194.1	3,108	161.3
1985							
January	105.2	101.3		112.8	135.4	3,128	157.2
February				113.9	132.0	3,148	156.1
March						3,147	159.2

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
4th qtr.	101.0	93.8	110.0	96.2	108.8	97.4	15.9
1984							
1st qtr.	100.2	93.7	110.5	96.1	113.5	95.9	16.5
2nd qtr.	101.4	95.1	105.3	97.4	106.1	96.9	17.8
3rd qtr.	102.1	96.7	104.5	99.5	109.4	97.1	16.3
4th qtr.	103.4	96.5	106.4	98.5	107.0	98.7	12.5
August	102.0	97.0	104.0	100.0	111.0	97.0	15.5
September	103.0	97.0	105.0	100.0	110.0	98.0	15.0
October	103.0	96.0	106.0	98.0	106.0	98.0	15.7
November	103.0	97.0	106.0	99.0	108.0	98.0	13.9
December	104.0	97.0	107.0	99.0	107.0	100.0	7.9
1985							
January	104.0	98.0	109.0	100.0	100.0	98.0	9.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
4th qtr.	107.3	112.9	−221	+350	+2,099	97.7	17.82
1984							
1st qtr.	108.7	112.1	− 57	+623	+2,322	97.3	16.75
2nd qtr.	107.3	117.1	−1,228	−592	+1,543	96.9	15.51
3rd qtr.	108.0	119.8	−1,643	−621	+1,804	96.7	15.26
4th qtr.	117.5	126.1	−1,327	+641	+1,468	96.1	15.52
September	108.5	126.9	−887	−546	+577	96.7	15.26
October	115.4	131.2	−807	+201	+373	96.4	15.35
November	118.0	120.8	−177	+303	+352	95.9	15.50
December	119.2	126.2	−344	+136	+743	96.0	15.69
1985							
January	116.5	118.2	− 76	+341	+928	96.0	15.52
February	121.5	124.4	−270	+131	+681	95.0	15.35
March							15.64

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1983							
4th qtr.	7.9	10.4	8.8	18.9	2,745	2,774	9.00
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,868	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,870	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,809	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,941	9.63
September	4.4	7.8	4.0	2.4	887	891	10.50
October	6.7	18.5	9.6	11.4	1,125	1,003	10.50
November	9.9	27.3	18.6	17.1	363	967	9.63
December	12.2	27.2	12.1	22.4	1,004	971	9.63
1985							
January	5.0	9.0	13.6	16.3	823	1,164	14.00
February	3.1	− 5.0	4.3	13.3	474	1,015	14.00
March							13.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
1984							
1st qtr.	153.6	133.6	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.2	358.3	326.8	289.64	74.1
August	159.2	133.2	132.5	354.8	326.9	294.18	78.4
September	159.9	135.2	133.3	358.5	324.9	288.95	77.2
October	164.2	137.9	133.9	357.7	326.2	292.40	75.6
November	162.8	139.2	134.3	358.8	326.6	289.89	75.7
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
January	163.4	145.3	135.9	359.8	330.6	296.98	71.5
February		147.0	136.6	362.7	332.5	295.73	71.2
March						295.22	73.2

* Not seasonally adjusted.

International Appointments

Appointments Wanted

NEGOTIATIONS ANALYST

Industrious, experienced U.S. oil and gas contracts negotiator/land manager seeks position with international company involved in new venture projects, acquisitions, and concessions.

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A Financial Controller for UK operations is to be appointed to report to the Finance and Administration Manager for European Operations with responsibility for the day to day control of the accounts department, ensuring accurate provision of financial statements and reports. Having become familiar with all the company's activities, the Financial Controller will also be responsible for budgeting and planning, ensuring that the UK operation strengthens and grows.

Candidates should be qualified accountants aged in their mid-late twenties, with 2-3 years post-qualification experience. Dedication, energy and ambition will enable the successful candidate to deal with a wide variety of tasks. There are extensive opportunities for the right person to develop within the company.

Please reply in confidence, giving concise career, salary and personal details to J J Cutmore, Executive Selection, quoting reference number ER769.

Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4 1NH

Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Finance Director (Designate)

London c.£20,000

Our client, a well-established and rapidly growing tour operator, amongst the top dozen in the U.K., seeks to strengthen its financial management by recruiting a qualified accountant who would justify early promotion to the Board.

The primary task will be to rationalise and integrate the existing accounts operation, now based in the provinces, into a new Head Office facility in the West End, and then to develop effective management information, control and reporting systems based on computerised data processing. Success in this will lead to a Board appointment as the Senior Financial Executive in this subsidiary of a widely based Group.

Candidates, qualified and preferably aged 35-40, should ideally have extensive experience in tour operations or related activities using computer-based systems, and must have the maturity and personality to command the respect of colleagues and staff. An excellent remuneration package will be based on a salary negotiable around £20,000 per annum.

Please write in confidence with full career details and quoting ref: S5789/L, to J. W. Hills, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

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Financial Controller

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Working closely with the Managing Director, the successful candidate will implement an effective management accounting system, strengthen internal controls and provide financial advice to the senior management group.

Qualified accountants, ideally chartered, aged 30-40 with a minimum of 4 years post qualification experience gained in a marketing-led environment are invited to apply. This is a new position and requires a self starter with staff management skills and confident in his or her ability to make a significant technical and personal contribution to this expanding company.

Relocation assistance, where appropriate.

Please write in confidence, enclosing career details and quoting reference B6521 to Valerie Fairbank, Executive Selection Division, Peat Marwick Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

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Our client is a market leader in the advertising industry. They now seek a commercially minded accountant to report to the Group Financial Director and to take full responsibility for the day to day financial and management reporting functions.

Applicants should be professionally qualified (ACA/ACCA), aged 27-35, and have previous experience of running an accountancy department and establishing effective levels of control. The ability to use initiative and to communicate at all levels is required.

Long term prospects with this profitable and expanding company are excellent, and the successful candidate can expect directorship within two years.

Please reply in confidence with a full cv to:

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STOY HAYWARD
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Chief Financial Accountant

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Candidates should write to Philip Cartwright ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref 231, at 31 Southampton Row, London WC1B 5HY.

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Under-Secretary (Finance)

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Please write in confidence, enclosing a brief cv, to Peter Greenaway, Ref: AA51/9282/FT.

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ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY
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FINANCE MANAGER

SWINDON **neg. to £20,000 + CAR**

Our client is a U.S. MULTI-NATIONAL with worldwide annual turnover in excess of $1,500 million.

A leader in the development of the semi-conductor memory, our client has remained perpetually at the forefront of the technology of this industry and is recognised as one of the BEST-MANAGED CORPORATIONS in the USA.

An ultra-dynamic, qualified ACA/ACCA/ACMA or equivalent is required to control profit management of the European Customer Support Operations which has an annual of $30m.
Career progression and company benefits are possibly UNRIVALLED IN THE U.K. and a suitable relocation package will be available if required.

Please telephone and send your c.v. to:—

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Managing Director
Accountancy Appointments Europe
1-3 Mortimer Street,
London W1
Tel: 01-580 7695/7739 (direct)
or 01-637 5277

Accountancy Appointments Europe

Company Accountant

Housing Sector

Our client, a subsidiary of a large public group, with a successful track record in achieving growth targets and profitability, now wishes to appoint a Company Accountant to undertake overall responsibility for the accounts function of a £multi-million operation.

From a base in the Northern Home Counties, you will be responsible for all aspects of management and financial accounts, including preparation of budgets and forward plans.

Candidates, aged 30 to 45, should be qualified (ACA, ACMA, ACCA) and have several years' sound experience, preferably in the housing sector. Knowledge of computerised systems is essential.

An attractive salary and benefits package, including assistance with relocation, reflecting a forward-thinking organisation will be offered.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. R.L.H. Whitney ref.B.1972.

This appointment is open to men and women.

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Commercial Finance Manager

c.£15,000+car

At International Hospitals Group we are primarily concerned with the management of a number of major healthcare centres throughout the world, but with an emphasis in the Middle East including probably the finest Saudi Arabian Hospital complex, the National Guard King Khalid Hospital in Jeddah.

Reporting to the Finance and Administration Director you will be responsible for monitoring budgets, forecasts, financial reporting and variance analysis for overseas projects.

You will also participate in negotiations with potential customers, suppliers and sub-contractors, extending the development of the computerised financial modelling systems to assist with costing and control of future projects.

The post would suit a qualified graduate accountant who is currently in a senior financial position with an international organisation.

The salary comes together with a comprehensive benefits package and reflects the importance we place on this post.

Please write with full career and personal details quoting ref. H219 to Betty Phillips, IHG, Stoke House, Stoke Green, Stoke Poges, Bucks SL2 4HS.

IHG INTERNATIONAL HOSPITALS GROUP

Financial Accountant

City c.£17,000

As part of a well known international trading group we are looking for a young Chartered Accountant to head up the accounting function of a principal subsidiary operating in financial services, transportation and insurance broking.

Responsibilities will cover financial management and systems review and will involve periodic overseas travel. The successful candidate will also be involved in the development of accounting systems and treasury and foreign exchange operations.

Candidates, aged mid - late 20's, should have 2 - 3 years post qualification experience in a commercial environment and should possess excellent communication skills and commercial awareness.

Please write in confidence with full career details to:

The Personnel Manager, Balfour, Williamson & Co Limited, Roman House, Wood Street, London EC2Y 5BP.

Accountancy Appointments

Recently Qualified ACA

finance/admin co-ordination in investment management

London **£14-16,500+subsidised mortgage etc**

Qualified in the last two years with one of the major professional firms and now wanting to demonstrate your potential and gain extensive commercial experience in a stimulating environment without being tied to the routines of a financial or management accounting role?

Our client, the investment management arm of one of the largest British financial groups is a dominant force in the investment world. Its requirement is exciting and challenging – to assist with the financial administration of a wide range of investment subsidiaries including property and offshore funds.

This will involve extensive liaison with *senior professional advisors; attending board meetings;* providing financial information and co-ordinating activities of fund management companies.

Self motivation, maturity and strong communication skills *are prerequisites, as is the ability to grasp quickly associated* tax and legal requirements and implications. Success in this position will ensure that there is no shortage of future career options.

Seldom does such an opportunity arise, so contact:

David Tod BSc FCA on 01-405 3499 quoting ref: D/72/DF

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Excellent Career Opportunities . . .

INTERNATIONAL SYSTEMS DEVELOPMENT

London **c. £18,000 + Banking Benefits**

We have been exclusively retained by one of the U.K.'s major banking groups to assist with the recruitment of an ambitious, career orientated accountant.

The successful candidate will undertake a leading role in the development and implementation of a multi-currency accounting system, as well as devising specification of changes for improved reporting procedures.

Candidates for this appointment will be qualified accountants, aged 28 – 32, who have first-hand knowledge of system design, good communicative skills and an excellent analytical mind.

If you believe you possess the demanding qualities, then please send your curriculum vitae, in strict confidence, to Neil Gillespie or Lynda Howard at our London address, quoting reference number 5200.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PE Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
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Manchester M2 2EE. Tel: 061-236 1553

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a major Company of
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Patons

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(based Darlington, Co. Durham)

c£20,000 + Car + Bonus

The company
Patons is a long established and successful U.K. subsidiary of Coats Patons PLC, the international textile group. Sales Turnover is in excess of £40 million and is generated by the manufacture and sale of a well known range of Handknitting and Craft products to the U.K. and overseas retail markets.

The job
Internal promotion has created an outstanding opportunity for a commercially aware financial accountant in a highly computerised environment to take over, initially, the Company's accounting and costing functions and eventually the role of Company Secretary. Involvement in other management functions such as DP, Systems Development and Distribution is possible. The rate at which additional responsibility can be absorbed will depend on the ability and ambitions of the appointed candidate.

The ideal candidate
Applicants, probably in their 30's, must have relevant experience in manufacturing industry and ideally have some exposure to the legal/taxation aspects earmarked for eventual inclusion in this post. This excellent career opportunity calls for a blend of commercial initiative, leadership and management ability necessary to become established as a part of a Board level team commited to long-term growth and continuing profitability in a buoyant and fashion-related market.

The benefits package will include participation in an attractive Directors' bonus scheme.

Please send full career details, together with current salary, or apply for an application form to: **Alan Gibbons, ref: AA79/9245/FT.**

PA Personnel Services

Executive Search · Selection · Psychometrics · Remuneration & Personnel Consultancy

Norwich Union House, 73-79 King Street, Manchester M2 2JL. Tel: 061 236 4531.

Financial Controller

Excellent Salary + Car

East Suffolk

A subsidiary of a privately owned U.S. company, the UK operation designs and manufactures highly automated capital equipment for the packaging industry. Group turnover is in excess of £30m and, in the UK, 160 people are employed.

This is a broadly based financial controllership with an emphasis on the provision of meaningful management information, particularly in relation to production costing. You will be responsible for the integrity of the financial control systems and the management of seven staff. You will work closely with other members of the management team in making key commercial and policy decisions.

The successful candidate will be a qualified accountant aged over 35. You should have significant experience of managing the accounting function of a small to medium engineering or manufacturing company. A "shirtsleeves" management style is essential as are strong communications skills, technical ability and the capacity to contribute to the direction of the business as a whole.

Please reply in confidence, giving concise career, personal and salary details to Heather Male, quoting Reference number ER773/FT, **Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.**

Arthur Young Executive Selection
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

BADENOCH & CLARK

PLANNING ACCOUNTANT
To £20,000 Berks

The rapid expansion of this advanced electronic products company has created an opening for an ambitious young accountant. For this post you must be qualified, aged in your late 20's, with three years pqe preferably in a manufacturing enviroement. The post is wide ranging covering operating plans, forecasting and financial analysis.

CORPORATE FINANCE
£Neg + Banking Bens City

Our client, wishes to recruit a high calibre graduate ACA to become involved in all aspects of their Corporate Finance department. This will include acquisitions, disposals, Trend analysis and Treasury work. Candidates will be aged in their mid-late 20's with an excellent academic background. *This provides an exceptional opportunity for* someone seeking their first move from the profession.

INTERNATIONAL AUDIT
To £18,000 C. London

Several of our multinational clients require young, aged to 30, qualified ACA's for positions involving control and analysis. These positions are viewed as a training ground for future line managers and offer excellent *prospects for someone wishing to embark* on a career with a major industrial concern.

Contact **Robert Morgan, David Hailey, Simon Harrison** or **John Cullen.**

Financial Recruitment Specialists
16-18 New Bridge St, London EC4V 6AU
Telephone 01-583 0073

Financial accountant insurance

S London, package c £22,500, excellent prospects

C&L

For a leading UK insurance group with extensive international interests.

This is a key position in the corporate financial area which falls vacant due to the advancement of the present incumbent. The main tasks are to head a small team which is responsible for *developing* and *setting group accounting policies*, to ensure that group and divisional directors are kept aware of UK and international technical accounting standards and developments and to produce and interpret the statutory accounts and other regulatory returns.

Probably in your *late* twenties you must be a qualified accountant with at least two years' post-qualification practical experience of insurance accounting and D.O.T. requirements.

Excellent benefits package and prospects.

Résumés including a daytime telephone number to John Robins, Executive Selection Division, Ref. RF272.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

Senior Financial Manager

Dundee **£22,000 + Car**

Dunedin Fund Managers Ltd is a newly formed Scottish Investment Management company managing over £900m of funds. It wishes to recruit a senior manager who will be responsible for the accounting and settlement operations of its investment trusts and other clients, preparing financial information for boards and supervising the further development of the computerised accounting functions which are located at Belsize House, West Ferry, Dundee. A knowledge of Stock Exchange procedures and of computerised reporting systems would be desirable as well as a proven track record in motivating a team of specialists.

This appointment is likely to appeal to an individual with an accounting or secretarial qualification who has gained experience as a manager in a financial or banking organisation.

The attractive salary package will *include* a non contributory pension scheme, BUPA membership and relocation expenses where applicable.

Applications should be made in writing to **Colin Mackay CA** at **Michael Page Partnership, 150 West George Street, Glasgow G2 2HG.** Telephone **041 331 2597** (Evenings and weekends **041 357 3104**).

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

GROUP ACCOUNTANT

TO £16,000 **NORTH LONDON**

Halma is a highly successful group of companies operating internationally in specialist industrial markets. We seek a recently-qualified Chartered Accountant of high calibre to help us achieve the further planned growth of the group.

To match our requirements, the ideal candidate would already have experience of computerised management information and acquisition investigations.

There are outstanding opportunities for an individual with the potential to operate at Board level.

Write in confidence, with full c.v., to:

Mr. R. I. Howard
HALMA plc
Halma House, Kingsbury Road
London NW9 8UU

Regional Accountant/ Company Secretary

North East **c. £18,000+Car**

Bowring U.K. Limited, part of The Bowring Group and a leading U.K. retail insurance broker, wishes to recruit an Accountant to *be based in Newcastle. The appointment* carries responsibility for the accounting, secretarial and day-to-day personnel functions of four companies in the North-East. Reporting lines will be to the local Chief Executive, with functional responsibility to the Regional Chairman and the Finance Director of the holding company in London.

Applicants should be qualified accountants, aged between 30 and 40, preferably with *insurance industry experience, and able* to make a significant contribution to the financial management of the Region.

An attractive remuneration package is offered, including relocation assistance where appropriate. *There will be excellent* prospects of a Board appointment in due course for the person who can demonstrate top level management ability and flair.

Interested candidates should send a summary of their experience and current salary, or alternatively telephone for an *application form and further information to:* Miss J. A. F. Massey, C.T. Bowring & Co. Ltd., Bowring Building, Tower Place, London EC3P 3BE. 01-283 3100 ext. 2105.

Bowring

A member of Marsh & McLennan Companies, Inc.

Group Accountant

(Recently Qualified)

Central London ***c£15,500+bonus***

Ogilvy and Mather (Holdings) Ltd is the holding company for Ogilvy and Mather's advertising agencies and associated companies in the UK. The group is now recognised as the third largest advertising agency in the world. Due to its growth, they now seek a Group Accountant to assist with all group accounting matters.

Reporting to the Group Financial Controller, this new position will carry responsibility for consolidations, forecasting, annual accounts and assisting with the treasury function and group taxation matters.

This position will ideally suit a recently qualified Chartered Accountant seeking a move into commerce and offers an excellent opportunity of gaining practical experience in a central role with a dynamic and expanding group. In addition there are good prospects for progression in either a central or operating role.

In addition to a salary around the indicator shown, benefits will include a contributory pension and incentive bonus.

Candidates, male and female, should apply in confidence with a full CV and quoting reference MCS/6046 to
Alannah Hunt,
Executive Selection Division,
Price Waterhouse, Southwark Towers,
32 London Bridge Street,
London SE1 9SY.

Price Waterhouse
Business Needs Experts.

Accountancy Appointments

Computer Audit Specialist

THAMES VALLEY
c. £18,000 + Car + Bonus

Calor Group is the market leader in liquefied petroleum gas with a turnover of £300 million. Activities include distribution of L.P.G. to domestic and industrial customers, transport operations and an engineering business. Computer based accounting and control systems help to ensure efficient financial management.

We are seeking a specialist in Computer Audit to strengthen the existing audit team. He/She will be a qualified accountant with extensive knowledge and practical experience of EDP systems audit in a commercial or industrial environment, including the use of interrogation packages. This senior position is based at the Slough Head Office, and could lead to other financial management or DP career opportunities for the right candidate.

The brief will be to ensure the adequacy of existing EDP systems and operations, and to contribute to the design of a wide range of new systems, in addition to conducting audits and investigations.

An IBM 4381 mainframe is operated together with outbased system 36 computers. A database and PC's are currently being introduced.

Salaries are on a rising scale, and are reviewed annually on performance. Benefits include a company car, non-contributory pension/life assurance scheme and profit sharing bonus.

Please send your c.v. in confidence to: The Personnel Manager, Calor Group Limited,

CALOR Group

Appleton Park,
Riding Court Road,
Datchet, Slough,
Berks. SL3 9JG.

ADMINISTRATION MANAGER/ ACCOUNTANT

We require a manager to take over the accounting and administration functions of a fast-growing group of companies in publishing, recruitment and agency purchasing. Young ambitious person, pref. a chartered accountant with small company or audit background. Starting at not less than £15,000 a.a.e. with performance-related increments. Excellent opportunity. Please forward cv to Keith Edmonds, F.C.A., Expats International Ltd., 62 Tritton Road, London SE21 8DE. 01-670 8304.

INSURANCE CREDIT CONTROL MANAGER MAIDSTONE

Due to recent internal reorganisation we are seeking an experienced credit control manager to handle all non-marine and marine direct and reinsurance brokers accounts and collections.

The successful candidate will have a proven track record in the insurance industry in a management capacity. Duties will involve the supervision of a department of 30 to 40 staff. Accounting experience is essential and candidates should have the ability to deal with all levels of management and clients.

Salary and benefits will reflect the seniaority of this position.

Insurance Company of North America (UK) Limited
AFIA Worldwide Insurance

Please write with cv to:

Mrs E.G. Toms
Manager Human Resources
Cigna House
8 Lime Street
London EC3M 7NA

CIGNA

Deputy Accounting Systems Manager

£16,000 *NORTH WEST KENT*

Due to expansion a dynamic company and market leader in the travel and leisure industry invites applications for this important appointment.

The person appointed will be responsible for co-ordinating computerised accounting systems requiring a close working relationship and highly effective communication with senior financial management.

An innovative, qualified accountant with impressive systems experience, preferably aged 27-32 will find this a challenging career move. The position will appeal to those wishing to develop their experience in a managerial role within a fast moving and challenging environment.

Candidates should send full career details in confidence to Sally P Morse, of The SM Consultancy, 9 Rolvenden Gardens, Bromley, BR1 2TN Kent.

COMPANY ACCOUNTANT

Nr. Kingston Surrey **c£17,000+car**

Our client is a successful high-tech company in the service industry (t/o £7.5m) supporting major UK organisations. Due to the continued growth of over 25% per annum, a new position has been created for a qualified accountant to take overall responsibility for the accounting functions.

Reporting solely to the financial director the person appointed will be directly involved in decision making and forward planning. Candidates with commercial experience should be both committed and flexible with the ability to communicate effectively at all levels.

Please contact The General Manager quoting Reference No. 97:

Recruitment Consultants

ACCOUNTANCY WORLD
6 UNION COURT, RICHMOND, SURREY TW9 1AA
TEL: 01-948 1677 (24 HOURS)

Financial Projects-Banking

City *c£27,000+car+benefits*

Our client is a major European bank and is currently engaged in an ambitious worldwide expansion programme of its activities. To strengthen its UK operation, an experienced accountant is now sought for the London branch.

In this new senior appointment, the successful candidate will report to the Head of Logistics (VP) and play a key role in the development and implementation of financial, management information and control systems. The wide brief will offer involvement in all business areas, including providing advice on taxation matters relating to both corporate and private banking.

The position calls for a Chartered or Certified Accountant with sound EDP systems and tax experience and a good understanding of the banking/financial services sector. An innovative, practical approach is essential together with first-class analytical and communicative skills.

This will be a stimulating role for an ambitious financial executive and the benefits package, which will include a car, non-contributory pension scheme and subsidised mortgage, will be negotiable to attract the right candidate.

Candidates should apply *in confidence* enclosing a C.V. and quoting reference MCS/2005 to Milton Ives, Executive Selection Division, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse
Business Needs Experts.

Financial Controller

Derbyshire **c.£20,000 plus car**

The company, which manufactures and markets a wide range of consumer and industrial durables, has built up an enviable reputation for product innovation and organic growth, and recent acquisitions have greatly increased the product range and scope. Reporting to the Chief Executive the Financial Controller will be responsible for all accounting, D.P., budgets preparation, forecasts, routine reporting and purchasing. The needs of the business demand the highest standards of reporting together with the ability to work closely with operating management.

Applicants, aged around 40, must be *technically first-rate with either the* C.A. or A.C.M.A. qualification. They must be used to controlling sizeable departments which are highly mechanised and have had experience across the range within the accounting function. The company uses a direct-entry, fully-integrated computer system and candidates therefore must be thoroughly at home with modern computer practice. It is essential that their backgrounds are within manufacturing industry.

Initial salary will be within the range £18,000 to £21,000 dependent on experience; a company car is provided and full help will be given with relocation costs, if necessary.

Please *write* — in *confidence* — with full career details to A. D. Percival.

Ravenscroft & Partners Limited
Search and Selection
20 Albert Square, Manchester M2 5PE

CHIEF FINANCIAL OFFICER

(WEST COUNTRY)

We are a fast growing internationally established construction company. This challenging position offers significant scope particularly in areas of financial control and systems development together with involvement into wider aspects of company management within a construction company which is currently undergoing substantial expansion.

Candidates, age 30-45 should be qualified accountants, preferably with experience in the construction industry, with considerable knowledge of contract accounting for large projects. Knowledge of export and multi-currency cash control would be added advantages.

Salary negotiable, and commensurate with the importance of this position.

Applicants should write in confidence to:
Managing Director, c/o Fidelis Secretaries, P.O. Box 317, St. Helier, Jersey, Channel Islands
enclosing a detailed c.v.

FINANCE & ADMINISTRATION MANAGER

Salary c. £25,000 + Stock Options + Car

Our Client is a dynamic American Corporation which is at the forefront of the dramatic growth in the Computer Aided Engineering market. They have recently launched a UK subsidiary, based close to the Cotswolds, to spearhead their marketing activities throughout Europe. They now wish to appoint a Finance & Administration Manager who will be responsible for all aspects of company administration, UK and European accounting procedures, *financial management reporting systems (both UK and US), financial planning* and the import and export of computer equipment.

This is a key appointment and candidates should possess the following attributes:

* **A qualified accountant, ideally aged 30-40 years**
* **Experience of working in a US Company preferably within a sales and distribution organisation operating in the high technology field**
* ***The necessary personality,* inter-personal skills and commitment to join a results oriented management team.**

This ground floor opportunity demands a high calibre professional who will receive an excellent remuneration package including an attractive salary, significant stock options, medical cover, company car and relocation assistance if required. The appointment is viewed as crucial by our Client Company and interview arrangemetns are being made with extreme urgency.

For immediate consideration submit a Curriculum Vitae to **Clive Wadelin** *at the* Birmingham Office quoting reference number 167. Confidentiality is guaranteed.

CTA RECRUITMENT CONSULTANTS

Cathy Tracey & Associates Ltd

ASCOT
Coworth Park House
Coworth Park
Ascot, Berkshire SL5 7SF
Tel: Ascot (0990) 26242
Fax: 0990 27346

BIRMINGHAM
Phoenix House
1-3 Newhall Street
Birmingham B3 3NH
Tel: 021 236 1999
Fax: 021 236 4755

attracts the best!

Finance Manager

U.K. Operations

London – West End **c£18,500**

Our client is the UK Corporate Head Office of an American multinational. It controls their UK operations consisting of companies engaged in service, leisure, publishing and manufacturing industries.

A bright qualified accountant, aged 26-30, is sought to join a small Head Office team *where an effective contribution* will be expected in the areas of:- financial reporting, treasury duties, statutory accounting, US reporting, advice and assistance to subsidiaries, support to operational controllers, etc. The company puts considerable emphasis on communicative ability coupled with a keen awareness of current financial and management trends. Experience in the use of micro computers would be an advantage.

Personal attributes should include tact, diplomacy and determination; the ability to work effectively in a small close team is essential.

Applicants should write to:
Philip Cartwright ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 232, at Michael Page Partnership,
31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

Director of Finance

Birmingham ***c£25,000 + car***

Our client is a rapidly growing UK marketing subsidiary of a major international, information technology products group with a turnover approaching £45m.

Reporting to the UK Managing Director, the Director of Finance will be completely responsible for managing and developing all the finance and data processing activities of the multi site operation, supported by approximately 25 staff. As a member of the executive management group, he/she will be expected to contribute significantly to the company's overall development and profitability—this will include advising on pricing, financial services for customers and funding requirements.

The successful applicant will be a qualified accountant in the 33 to 45 age range with considerable financial management experience, which *should have included responsibility* for information systems, credit management, financial leasing/rental, financial policies, accounting policies and internal controls. Ideally, this experience will have been gained in a fast moving marketing/distribution environment. Considerable emphasis will be placed on personal qualities—a mature and strong manager of people with a persuasive nature, able to influence and manage change in a rapidly expanding company. This is a challenging position, providing an excellent career opportunity for an ambitious and talented financial manager. The attractive, negotiable remuneration package includes relocation assistance and reflects the importance the company places on this appointment.

Suitably experienced candidates should write, in confidence, enclosing full career and salary details to Phil Gardiner, Executive Selection Division, Price Waterhouse, PO Box 120, Livery House, 169 Edmund Street, Birmingham B3 2JB (telephone 021-236 5011). Please quote reference MCS/8533.

Price Waterhouse
Business Needs Experts.

Finance Director

c.£20,000 + car West Sussex

For a light engineering company in an exciting new phase of development, poised for expansion, manufacturers of specialised products for the retail and distribution industry in the UK and overseas.

Reporting to the Managing Director responsibilities will cover all financial and management accounting functions, company secretarial and administrative duties, credit control and the development of computerised systems.

Eligible candidates will be Chartered Accountants aged around 35. They must be able to demonstrate business acumen and sound commercial accounting ability at management level. A qualification in business administration would be advantageous.

Applications in confidence to Brian G. Luxton, Director, quoting Ref: 6769.

Mervyn Hughes Alexandre Tic (International) Ltd.
Management Recruitment Consultants

MHAT

37 Golden Square,
London W1R 4AN.
01-434 4091

Finance Director

c.£25,000 Plus Benefits
Watford Base

British Cable Services Ltd., which includes Rediffusion Cablevision, is the largest U.K. Cable TV operator and is seeking to appoint an outstanding young Accountant to the post of Financial Director.

The successful candidate must have a capacity to work under sustained pressure and the ability to motivate others accordingly, together with a well developed commercial aptitude and sound business sense.

A track record of personal achievement and commitment to profit improvement is essential, as is the ability to establish and maintain tight control over the financial resources of the Company. The ability to deal with senior staff using strong inter-personal and communication skills is essential.

Experience of working in a consumer orientated direct marketing organisation is desirable.

The Company is a member of the Pergamon Press/Mirror Group and prospects for advancement both within the Company and the Group are exceptional.

Applicants confident that they can meet the requirements should send a short C.V. in confidence to:- The Managing Director, British Cable Services Ltd., Maxwell House, 74 Worship Street, London EC2A 2EN.

Financial Controller

Circa £25,000 + Car + Bonus

Applications invited from qualified Accountants with experience in working with associated European companies—particularly French and German.

We are a wholly owned (by our Hi-technology parent) small company in the field of measuring instrument systems.

We wish the financial management of the total European operation to be run by a Controller from our Barnet, Herts Headquarters. Knowledge of French or German would be an advantage.

Help with cost of change of house will be arranged.

Reply with c.v. to: NANOMETRICS EUROPE LTD
Holland House, Queens Road, Barnet, Herts EN5 4DJ

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SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday April 11 1985

Gaz de France finds ready market for FFr bond, Page 48

WALL STREET

Enthusiastic response to Volcker

FINANCIAL markets on Wall Street were in good form yesterday as stocks responded to a further dip in bond market yields in response to the warning from Mr Paul Volcker, the Federal Reserve chairman, on the progress of the U.S. economy, *writes Terry Byland in New York.*

At 3pm, the Dow Jones industrial average was up 7.84 at 1,261.70.

Credit market analysts read Mr Volcker's comments on the sluggish performance of some U.S. manufacturing industries as an indication that the Fed is no longer in a mood to tighten credit policies.

Short-term market rates were held in check by continued firmness in the federal funds rate, reflecting the pressures of the tax season. At mid-session, the Fed announced another $1.5bn in customer repurchase arrangements, with funds quoted at 8 13/16 per cent.

The credit markets remained unperturbed by the failure of Bevill, Bresler & Schulman Asset Management, although projections of the losses involved at the bond trading firm have been upgraded to around $190m.

Such losses, which would fall chiefly on the U.S. savings and loans institutions, would not present serious problems for the financial markets.

Mr Volcker's warnings that the mining, manufacturing and agricultural industries were being "left out" of the economic expansion appeared to rule out a tightening of Fed credit policies. Some analysts even speculated that the Fed might seek to ease policy if money growth slows.

This hint of lower interest rates ahead encouraged a strong start in the stock market and gains were fully held later in active trading. The market faces a significant test today in the form of IBM's report on first-quarter trading. Some disappointment with IBM's results has already been discounted after its board had issued a warning. At $125⅞, the stock added $1¼.

The broad range of the market was very firm, and a rash of takeover situations provided the excitement.

Bank stocks, on the eve of the quarterly reporting season, demonstrated their indifference to rumours in Europe of renewed strains on the U.S. banking system. Bankers Trust gained $1¼ to $66¼, Manufacturers Hanover added $⅝ to $35¾ and J. P Morgan at $47¾ jumped $1⅛, after its results.

RepublicBank of Dallas added $½ to $31¼ on results but InterFirst, the other Texan bank reporting profits, shaded $⅛ lower to $10.

Motor stocks returned to favour, led by General Motors, $⅝ up at $73½ and Ford $⅜ higher at $43¾. Airlines also found buyers, with Delta and United, the two domestic leaders, adding $⅜ to $44½ and $½ to $45 respectively.

On the takeover front, it was a day of testing for the latest defence strategies as both Crown Zellerbach and Uniroyal faced tender offers aimed at breaking through plans for thwarting unwanted suitors.

Crown Zellerbach held unchanged at $41⅛ after Sir James Goldsmith, the UK financier, made his threatened tender offer of $42.50 for up to 70 per cent of the equity – on the very day that the board met to decide how to deal with his offer.

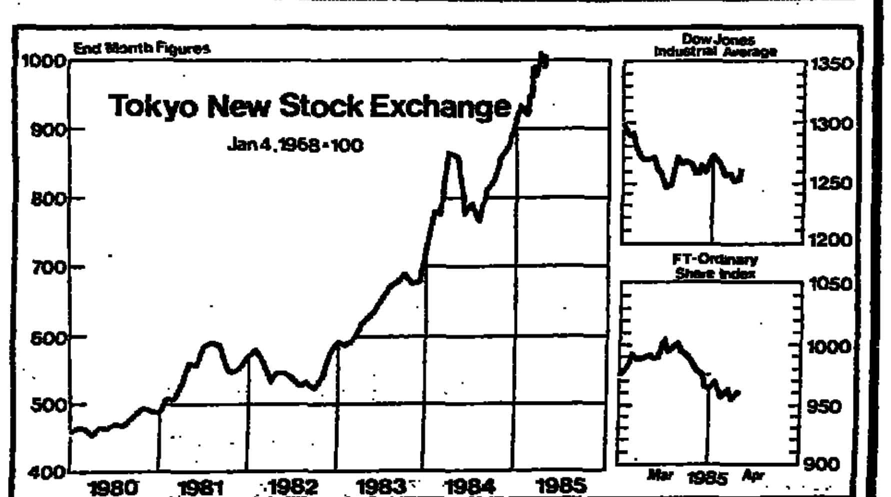
This week's buying of stock in Uniroyal, the re-shaped tyre and chemical manufacturer, was explained when Mr Carl Icahn tendered $18 a share for control. At $18¾, Uniroyal added $⅞ in very heavy trading as Wall Street scented a determined resistance by the board, *which could bring better terms.*

Both bids are dependent upon the withdrawal of plans for complex takeover defences proposed by the boards of Zellerbach and Uniroyal.

Meanwhile, Unocal fell a further $⅞ to $47⅛ as investors continued to fear a defensive takeover move by the board to ward off Mr T. Boone Pickens. There was still no comment on market hints of a planned bid merger with Diamond Shamrock, which shaded down $½ to $20.

In the credit market, short-term yields remained firm, with federal funds unaffected by the latest intervention by the Fed. But gains of half a point or so at the longer end of the bond market indicated optimism for lower interest rates later this year.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	April 10	Previous	Year ago
DJ Industrials	1,261.70*	1,253.86	1,138.30
DJ Transport	595.86*	588.88	489.61
DJ Utilities	155.01*	154.34	125.43
S&P Composite	179.51*	178.21	155.87
LONDON			
FT Ord	960.3	955.9	886.1
FT-SE 100	1,273.1	1,270.2	1,105.4
FT-A All-share	613.95	612.14	513.74
FT-A 500	673.05	670.76	556.00
FT Gold mines	518.0	516.2	668.3
FT-A Long gilt	10.53	10.59	10.01
TOKYO			
Nikkei-Dow	12,601.93	12,630.43	10,915.1
Tokyo SE	985.18	986.54	854.04
AUSTRALIA			
All Ord.	853.2	845.7	756.6
Metals & Mins.	548.4	545.5	541.5
AUSTRIA			
Credit Aktien	74.05	74.86	55.07
BELGIUM			
Belgian SE	2,268.27	2,276.23	–
CANADA			
Toronto			
Metals & Minls	2,071.6*	2,046.7	2,248.0
Composite	2,623.9*	2,608.2	2,328.0
Montreal			
Portfolio	129.75*	128.80	113.45
DENMARK			
Copenhagen SE	185.80	185.8	181.02
FRANCE			
CAC Gen	216.7	216.0	170.9
Ind. Tendance	118.9	118.2	90.1
WEST GERMANY			
FAZ-Aktien	416.76	413.31	343.51
Commerzbank	1,204.7	1,193.9	1,007.9
HONG KONG			
Hang Seng	1,470.61	1,480.22	1,096.12
ITALY			
Banca Comm.	273.49	270.81	210.4
NETHERLANDS			
ANP-CBS Gen	204.9	204.3	159.9
ANP-CBS Ind	163.7	164.2	129.2
NORWAY			
Oslo SE	313.26	313.91	269.34
SINGAPORE			
Straits Times	806.78	812.22	1,002.9
SOUTH AFRICA			
Golds	1,102.9	1,092.4	1,024.5
Industrials	917.6	907.2	1,053.9
SPAIN			
Madrid SE	111.41	111.98	83.02
SWEDEN			
J & P	1,412.76	1,409.43	1,541.38
SWITZERLAND			
Swiss Bank Ind	418.8	418.4	370.1
WORLD	Apr 9	Prev	Year ago
Capital Int'l	199.8	200.8	186.1

GOLD (per ounce)

	Apr 10	Prev
London	$328.25	$323.00
Zürich	$327.00	$322.05
Paris (fixing)	$324.25	$322.82
Luxembourg	$323.00	$323.75
New York (Apr)	$326.2	$324.10

** Latest available figure*

CURRENCIES

(London)	U.S. DOLLAR Apr 9	U.S. DOLLAR Previous	STERLING Apr 9	STERLING Previous
$	–	–	1.216	1.206
DM	3.1345	3.151	3.8025	3.7975
Yen	254.3	254.95	309.0	307.22
FFr	9.56	9.6175	11.58	11.5725
SwFr	2.6485	2.6615	3.22	3.2075
Guilder	3.542	3.5545	4.3025	4.2925
Lira	1,991.5	2,006.5	2,424.0	2,419.0
BFr	63.45	63.35	76.55	76.35
C$	1.3725	1.3737	1.6725	1.645

INTEREST RATES

	Apr 10	Prev
Euro-currencies (3-month offered rate)		
£	13 1/16	13 5/16
SwFr	5 11/16	5 11/16
DM	6 1/16	6 1/16
FFr	10 15/16	10 15/16
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 1/16	9 1/16
6-month U.S.$	9 7/16	9½
U.S. Fed Funds	8 13/16*	8⅝
U.S. 3-month CDs	8.60*	8.70
U.S. 3-month T-bills	8.10*	8.07

U.S. BONDS

Treasury	Apr 10* Price	Apr 10* Yield	Prev Price	Prev Yield
10¾ 1987	100 27/32	10.26	100 19/32	10.42
11¾ 1992	101 9/32	11.48	100 19/32	11.67
11¼ 1995	98 11/32	11.53	97 11/32	11.71
11¼ 2015	97 29/32	11.515	98 5/32	11.71
Corporate	Apr 10*		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	95⅝	11.49	95⅝	11.49
3⅞ July 1990	73⅞	10.62	73⅞	10.62
8¾ May 2000	75¾	12.32	75¾	12.32
Xerox				
10⅞ March 1993	93⅛	12.00	93⅛	12.00
Diamond Shamrock				
10⅜ May 1993	92½	12.40	92½	12.40
Federated Dept Stores				
10⅞ May 2013	86.153	12.40	86.153	12.40
Abbot Lab				
11.80 Feb 2013	94.920	12.45	94.920	12.45
Alcoa				
12¼ Dec 2012	95.078	12.90	95.078	12.90

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	70–01	70–07	69–23	69–17
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.63	91.70	91.59	91.60
Certificates of Deposit (IMM) $1m points of 100%				
June	90.92	90.97	90.85	90.87
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.56	90.57	90.47	90.27
20-year Notional Gilt £50,000 32nds of 100%				
June	106–24	106–26	106–10	106–11

COMMODITIES

(London)	Apr 10	Prev
Silver (spot fixing)	548.80p	550.05p
Copper (cash)	£1,223.50	£1,226.50
Coffee (May)	£2,167.50	£2,171.50
Oil (spot Arabian light)	$27.70	$27.70

EUROPE

Buoyancy emerges as $ stabilises

A MORE buoyant mood emerged in some of the major European bourses yesterday as foreign demand picked up, spurred by the more stable performance of the dollar.

In **Frankfurt**, the Commerzbank index resurfaced above the 1,200 level for the first time in eight trading sessions, adding 10.8 to 1,204.7.

The motor sector moved ahead as the Government approved a package of car tax changes to encourage a switch to low pollution vehicles fitted with catalytic converters.

Daimler showed particularly strong gains, ending DM 8 higher at DM 666 after a day's high of DM 667. BMW added DM 2 to DM 373 while VW and Porsche shared DM 5 advances to DM 208 and DM 1,210 respectively.

Deutsche Bank was the star performer in its sector, adding DM 7.50 to DM 447.50. Dresdner added DM 1.50 to DM 190.60 and Commerzbank 20 pfg to DM 164.20. Insurer Allianz was DM 5 higher at DM 1,058.

Electricals saw Siemens DM 3 higher at DM 541 and AEG DM 1.30 ahead at DM 111.50. Nixdorf led the high technology issues with a DM 2.50 gain to DM 554.

Linde outperformed a mixed engineering sector with a DM 7.50 advance to DM 421.

Metallgesellschaft was DM 3 higher at DM 252 while Degussa was unchanged at DM 360 and Preussag fell DM 1 to DM 274.

Bond prices edged higher with buyers encouraged by the higher overnight U.S. credit market close. The Bundesbank *sold DM 62.3m of paper after sales on* Tuesday totalling DM 6.4m.

Amsterdam edged higher with the ANP-CBS General index up 0.5 at 204.9, but trading remained light.

In the banking sector, ABN rose Fl 2.50 to Fl 400. 50 ahead of its annual report, published later in the day. Amro dipped 10 cents to Fl 73.10 and NMB 20 cents to Fl 168.

Among major companies, demand was particularly strong for Akzo, up Fl 1.90 to 172.90. KLM added Fl 1.30 to Fl 59 but Royal Dutch eased 70 cents to Fl 201.50.

Brewer Heineken was 90 cents higher at Fl 157.90 ahead of its annual report, later in the day, while chemical group Gist-Brocades rose Fl 3 to Fl 185. Publisher VNU was Fl 2 higher at Fl 210.50 ahead of its statement that the rapid profit growth of the past two years is expected to slow in 1985. Bond prices were marginally firmer but trading remained very light.

Paris continued its record-setting run with the CAC General index up 0.7 at 216.7.

Among corporate reporters, Carrefour was unchanged at FFr 2,137 as it announced higher earnings. Generale des Eaux was FFr 3 lower at FFr 625 despite its higher dividend.

Elsewhere, highs for the year were recorded by Imetal, up FFr 4.90 at FFr 114.60; La Redoute FFr 49 higher at FFr 1,430; Safoni FFr 24 ahead at FFr 674; and Radiotechnique FFr 6 firmer at FFr 297.

A mixed mood was seen in **Zurich** although the banking sector continued to perform well with interest spurred by the current round of annual meetings. Union Bank rose SwFr 35 to SwFr 3,700 and Credit Suisse SwFr 20 to SwFr 2,425.

Sulzer shed SwFr 10 to SwFr 370 ahead of today's annual press conference. Bonds were little changed in thin volume.

Brussels was lower in thin activity with interest-sensitive utility stocks continuing to ease, despite Tuesday's cut in short-term interest rates.

Among steel stocks, Cockerill-Sambre shed BFr 6 to BFr 245 after press reports that the group suffered a loss in the first two months of 1985.

Holding companies saw Groupe Bruxelles Lambert down BFr 20 to BFr 1,995 and Société Générale de Belgique BFr 25 lower at BFr 1,985.

Milan continued higher with the latest advance attributed to covering operations ahead of next week's monthly settlements and also a return of institutional buying. Fiat climbed L69 to L2,949 while Olivetti was L47 ahead at L6,300.

Stockholm was mixed although foreign demand pushed Astra, the pharmaceutical group up SKr 10 to SKr 385. **Madrid** was lower in light trading.

LONDON

Revival of activity after lull

CONFIDENCE returned to London stock markets yesterday as holiday and financial year considerations faded. A busy trading session raised hopes that investment activity was starting to revive after the lull.

Higher sterling M3 and bank-lending figures encouraged the market, but a *slow response from sterling to a weaker* dollar left the market uncertain. The FT Ordinary share index gave up some of an early 9 point advance to finish up 4.4 at 960.3.

Gilts firmed and selected issues doubled their gains late in the day to ½ and sometimes more.

Chief price changes, Page 40; Details, Page 41; Share information service, Pages 42–43

SINGAPORE

AN UNCERTAIN mood in Singapore saw shares drift lower over a broad front. The Straits Times industrial index fell 5.44 to 806.78 and trading was light.

In the financial sector, Malayan Banking slipped 10 cents to S$5.90 and OCBC 5 cents to S$9.10, OUB and Public Bank each lost 4 cents to S$3.86 and S$1.49 respectively.

Hotels, properties and commodities also eased marginally, and among industrials, Cycle & Carriage lost 8 cents to S$3.90, Keppel Shipyard 8 cents to S$1.49 and Fraser & Neave, 5 cents to S$5.15.

SOUTH AFRICA

A HIGHER afternoon bullion price helped Johannesburg gold shares ahead at the end of a quiet day.

Randfontein led issues that gained, adding R8 to R224.

Mining financials and diamond shares shadowed golds, with Anglo American up 25 cents at R26.35 and De Beers 12 cents ahead at R10.37.

Other minings were mixed with Rembrandt R1.75 higher at R34.75 and Rustenburg Platinum 30 cents lower at R17.60.

HONG KONG

INSTITUTIONAL selling late in the session left Hong Kong stocks shedding earlier gains and the Hang Seng index eased 9.61 to 1,470.61.

Jardine Matheson gave up 30 cents to HK$11.00 as rumours continued to circulate the market of a takeover bid. On Tuesday, Trafalgar House denied it was planning any such bid.

Among other leading issues, Cheung Kong slid 30 cents to HK$15.10 and Hutchison Whampoa lost 10 cents to HK$23.30. Hongkong Land and Hongkong and Shanghai Bank each dropped 5 cents to HK$5.30 and HK$8.95 respectively.

CANADA

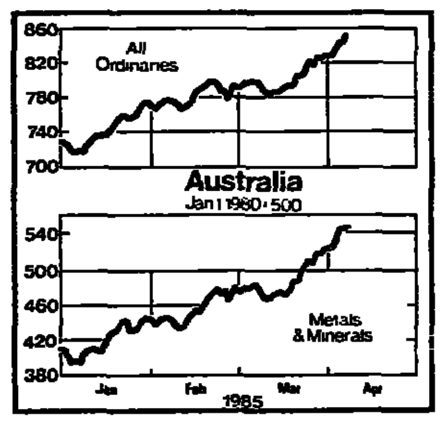
GAINS were recorded in most Toronto sectors as prices surged in heavy trading.

Bell Canada put on C$⅛ to C$38⅞, Inco added C$⅜ to C$19⅛ and Dome Petroleum was unchanged at C$3.35.

Golds performed strongly with Lac Minerals C$1¼ ahead at C$33¾ and Lake Shore Mines C$½ higher at C$50.

Turbo Resources common shares rose 12 cents to 73 cents after the company requested a halt in trading of its preferred stock pending an announcement early next week.

Montreal traded higher.



AUSTRALIA

Takeover bid generates enthusiasm

THE announcement by BHP and Shell Australia of a joint takeover bid for Woodside Petroleum sent oil and gas shares sharply higher in Sydney. Continued interest from foreign buyers as a result of the weaker local currency also contributed to a firmer market.

The All Ordinaries index finished at 853.3, up 7.6 from the previous day's peak.

Woodside, heavily in debt over the North West Shelf liquefied natural gas project, ended 40 cents ahead at A$1.56 and Vamgas, a subsidiary, added 55 cents to A$4.45. BHP put on 12 cents to A$6.40.

Bell Resources rose 14 cents to A$6.86, while banks were generally lower with ANZ 10 cents off at A$4.50

TOKYO

Shift in buying interest

BUYING interest continued to shift away from medium and low-priced incentive-backed issues to biotechnology-related and non-ferrous metal shares in Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

Blue-chip stocks lost ground because of growing concern over the trade imbalance with the U.S. while medium and low-priced issues also fell on a broad front.

The Nikkei-Dow market average shed 28.50 to 12,601.93 with volume remaining high at 503.09m shares, up from Tuesday's 485.26m. Declines outnumbered gains by 483 to 303 with 142 issues unchanged.

Kawasaki Kisen and Sumitomo Cement, the star performers among medium and low-priced shares in the past two weeks, fluctuated wildly. Kawasaki Kisen, topping the active list with 28.53m shares, fell Y10 on profit-taking to Y198 at one point, but recovered in late speculative buying to finish Y5 up at Y213. Sumitomo Cement rose Y15 but then fell Y17 to Y376 in late selling, having been up to Y408 earlier.

Public spending-related issues and fisheries, which attracted buyers on Tuesday, also eased on a wide front.

Biotechnology issues, which had recently been in demand, returned to favour. Asahi Chemical drew strength from news of impending clinical tests on its new anti-cancer drug. The stock ranked fourth on the active list with 21.40m shares and gained Y45 to a record Y945.

Mitsubishi Chemical, third busiest with 24m shares, gained Y24 to Y485. Toyojozo added Y70 to Y1,920, Taisho Pharmaceutical Y90 to Y1,440 and Chugai Pharmaceutical Y100 to Y1,250.

Non-ferrous metal shares were also favoured, despite the lack of new incentives. Mitsui Mining and Smelting, second most active with 28.04m shares, firmed Y15 to Y604. Dowa Mining gained Y8 to Y743

Blue-chip stocks eased in small-lot selling, reflecting the U.S. Congress's dissatisfaction with the package of external economic measures announced by the Government on Tuesday. Hitachi relinquished Y5 to Y819 and Pioneer Y80 to Y2,530.

The bond market opened firm in response to the good performance on the U.S. credit market but eased later after disappointing news from an auction of three-year government bonds, carrying a coupon rate of 6.0 per cent.

Mirroring low demand among individual investors and difficulties in selling out the April issue of 10-year bonds, banks' and securities houses' subscriptions reportedly fell short of the Government's target of Y400bn. The yield on the benchmark 7.3 per cent government bond, due in December 1993, rose to 6.695 per cent from Tuesday's 6.690 per cent.

Prices at 3pm, April 10

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div	Yld	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16⅛	AAR	.48	2.5	14	105	19⅝	18¾	19⅛	+½
19¾	9⅜	AGS			9	101	11⅝	11¼	11⅝	+½
18⅛	10	AMCA				44	10⅜	10⅛	10¼	−¼
19½	13⅜	AMF	.50	2.7	41	673	18½	18	18½	
43¼	24¼	AMR			9	3784	40¾	40½	40½	+⅛
20½	18⅝	AMR pf2.18		11		6	20⅜	20⅜	20⅜	−⅛
14¼	8½	APL			39	1	9	9	9	
67¼	44⅞	ASA	2	3.7		546	54⅝	54	54½	+⅞
27	16	AVX	.32	1.8	11	612	17½	17⅛	17⅜	+⅜
54	36¾	AbtLab	1.40	2.7	16	1252	52¼	51⅞	52	−⅛
25⅞	16⅝	AccoWd	.44	2.0	17	469	22	21¼	22	+⅞
22	12½	AcmeC	.40	2.9		91	14	13½	14	+¼
10½	8¼	AcmeE	.32b	3.6	11	4	9	9	9	
17⅜	15	AdaEx	2.11e	13		85	16⅜	16⅛	16⅜	+⅛
20	11⅞	AdmMl	.32	1.9	7	4	16⅞	16¾	16⅞	+¼
19½	8⅝	AdvSys	.53t	5.1	17	43	10½	10⅜	10⅜	−⅜
41⅛	25⅛	AMD			13	3330	31⅜	30¾	31¼	+½
12¾	6⅞	Advest	.12	1.3		178	9	8⅜	9	+⅜
14⅝	8¾	Aeroflx			12	9	12⅛	12	12⅛	
42⅝	27¼	AetnLf	2.64	6.6	38	808	39⅞	39⅜	39¾	+½
58¾	52⅜	AetL pf5.83e		11		7	55	55	55	+¼
34	15¾	Ahmns	1.20	3.5	20	440	u35	34	34¾	+1⅛
4⅛	2½	Aileen			21	63	2¾	2⅝	2¾	
51	38⅝	AirPrd	1.20	2.5	11	992	48	47⅝	48	+½
24⅜	13	AirbFrt	.60	3.0	11	786	20⅜	19¾	20	−¼
2	1	AlMoa s			25	53	1¾	1⅝	1¾	
32	26¾	AlaP pfA3.92		13		5	31	30¾	30⅞	+⅛

Continued on Page 39

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 10

Continued on Page 40

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 38

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
6⅛	3⅛	Wurltzr				16	4¼	4¼	4¼	
18	10¾	WyleLb	.32	2.7	9	121	12	11⅝	11¾	
23⅜	17	Wynns	.60	3.1	7	8	19⅝	19⅜	19⅝	
		X Y Z								
46¾	33¼	Xerox	3	6.8	17	2400	44⅜	43½	44¼	+1¼
51⅜	45¼	Xerox pf5.45		11		8	51¼	51¼	51¼	+⅜
30	24	ZaleCp	1.32	4.7	8	22	27⅞	27¾	27⅞	−⅛
24⅞	13⅜	Zapata	.84	5.8	17	181	14⅝	14⅜	14⅜	
58	30	Zayre	.40b	.7	14	289	55¼	54¼	55¼	+1
31¼	18⅛	ZenithE			7	1193	21⅛	20¾	20¾	
21⅞	14⅜	Zero	s		16	192	17¾	17⅜	17¾	+⅜
31⅜	21⅛	Zurnin	1.32	4.6	10	84	27¾	27	27¾	+¾

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Apr. 10	Price Schs	+ or —
Creditanstalt	280	+10
Goesse	425	—37
Interunfall	660	+30
Laenderbank	268	+10
Perlmooser	383	+6
Steyr-Daimler	172	+1
Veitscher Mag	389	—3

BELGIUM/LUXEMBOURG

Apr. 10	Price Frs.	+ or —
B.B.L.	1,900	—15
Banq. Int. A. Lux	6,150	.....
Bekaert B.	5,900	.....
Ciment CBR	2,560	—5
Cockerill	245	—6
Delhaize	7,600	—60
EBES	3,100	—35
Electrobel	8,600	.....
Fabrique Nat	2,030	+10
GB Inno BM	3,165	—5
GBL (Brux)	1,990	—25
Gevaert	4,000	—35
Hoboken	5,680	—40
Intercom	2,275	—20
Kredietbank	8,390	.....
Pan Hldgs.	11,100	.....
Petrofina	6,830	—70
Royale Beige	11,900	.....
Soc. Gen. Banq	3,380	—20
Soc. Gen. Belge	1,985	—25
Sofina	7,530	—90
Solvay	4,315	—35
Stanwick Intl.	1,660	+10
Tractionel	4,105	—20
UCB	5,250	—80
Wagon Lits	2,710	—40

DENMARK

Apr. 10	Price Knr %	+ or —
Andelsbanken	286	—1
Baltic Skand	525	.....
CopHandelsbank	305	—3
D. Sukkerfab	550	—5
Danske Bank	295	—2
De Danske Luft.	1,200	.....
East Asiatic	179	—4
Forenede Brygg.	885	.....
Forenede Damp.	123	+1
GNT Hldg	439	.....
I.S.S.B.	465	—10
Jyske Bank	615	.....
Novo Ind	1,565	.....
Privatbanken	272	+2
Provinsbanken	310	—47
Smidth (F)	239	—1
Sophus Berend	1,150	+95
Superfos	474	—3

FRANCE

Apr. 10	Price Frs.	+ or —
Emprunt 4½% 1973	1731	—4
Emprunt 7% 1973	8438	—17
Accor	285	+8.5
Air Liquid	642	—4
BIC	528	—7
Bongrain	1,910	+18
Bouygues	680	+20
BSN Gervais	2,415	+10
CIT-Alcatel	1,383	+3
Carrefour	2,137	.....
Club Mediter'n	1,181	—7
Cie Bancaire	639	—4
Cofimeg	280.1	.....
Damart	2,380	.....
Darty	1,315	—5
Dumez S.A.	642	+10
Eaux (Cie Gen)	625	—3
Elf Aquitane	246.2	—0.1
Essilor	2,940	+45
Gen. Occidentale	707	+6
Imetal	114.6	+4.9
Lafarge Coppec.	492	—2.5
L'Oreal	2,505	+25
Legrand	2,146	+21
Maisons Phenix	227	—3
Matra S.A.	1,855	—8
Michelin B.	982	+7
Midi (Cie)	2,210	+10
Moet-Hennessy	1,913	+43
Moulinex	113.8	—1.7
Nord Est.	87.95	—0.45
Pernod Ricard	702	+2
Perrier	500	.....
Petroles Fra.	264.6	—0.4
Peugeot S.A.	314	+2.5
Printempt Aus	237.9	+3.9
Radiotech	297	+6
Redoute	1,430	—49
Roussel-Uclaf	1,681	—19
Sefimeg	435	.....
Skis Rossignol	1,935	—14
Telemech Elect.	2,650	+30
Thomson CSF	574	—5
Valeo	238	—1

GERMANY

Apr. 10	Price Dm.	+ or —
AEG-Telef	111.5	+1.3
Allianz Vers	1058xr	+5
BASF	207.5	+1.6
Bayer	215.5	+2.2
Bayer-Hypo	342	+4.5
Bayer-Verein	330	+2
BHF-Bank	271	+2
BMW	373	+2
Brown Boveri	215	+0.8
Commerzbank	164.8	+0.2
Cont'l. Gummi	139.7	+0.2
Daimler-Benz	666	+8
Degussa	360	.....
D'sche Babcock	164.5	+1.5
Deutsche Bank	447.8	+7.5
Dresdner Bank	190.6xr	+0.7
GHH	156.5	—1
Hochtief	472	—3
Hoechst	212.8	+3.1
Hoesch Werke	112.5	+1.5
Holzmann (P)	386	+1
Horten	170	.....
Hussel	293.5	—0.5
Karstadt	212	+0.8
Kaufhof	226	.....
KHD	250.5xr	+1
Kloeckner	72.2	—0.8
Linde	421	+7.5
Lufthansa	196	—0.5
MAN	154.5	.....
Mannesmann	165.7	+0.9
Mercedes Hld.	584	+3
Metallgesel	252	+3
Munech Rueck	1150	+8
Nixdorf	554	+2.5
Porsche	1210xd	+5
Preussag	274	—1
Rhein West Elect	164	+1
Rosenthal	244	+3
Schering	452	+2.5
Siemens	541.5xd	+3
Thyssen	99.6	—1.3
Varta	184.8	+1.8
Veba	179.2	+1.2
V.E.W.	126.5	—0.1
Verein-West	317	+1
Volkswagen	208	+5

ITALY

Apr. 10	Price Lira	+ or —
Banco Com'le	17,050	+200
Bastogi-IRBS	205.5	—7
B.I-Invest	3,410	+25
Centrale	3,455	+3
Credito Varesino	3,950	+39
Fiat	2,949	+69
Finsider	58	+4
Generali Assicur.	41,850	—50
Italcementi	82,000	+400
La Rinascenti	667	+8
Montedisin	1,510	+10
Olivetti	6,300	+47
Pirelli Co	4,195	+15
Pirelli Spa	2,812	+23
Snia BPD	2,780	+31
Toro Assic.	14,020	+379
do Pref	10,245	—5

NETHERLANDS

Apr. 10	Price Fls	+ or —
ACF Holding	198	+1
AEGON	184.8	.....
Ahold	216	+2.7
AKZO	112.9	+1.9
ABN	400.5	+2.5
AMEV	218.0	—0.5
AMRO	73.1	—0.1
Bredero Cert	159	.....
Bos Kalis Westm.	19.0	+0.2
Buehrmann-Tet.	90.0	+0.4
Calland Hldgs.	33.8	.....
Dordtsche Pet'm	180.0	+0.5
Elsevier NDU	112	+2.2
Fokker	98.8	+0.6
Gist Broades	184.8	+2.8
Heineken	157.9	+0.9
Hoogovens	62.2	+0.1
Int Mueller	51.0	+0.2
KLM	59.0	+1.3
Naarden	47.6	—0.2
Nat Ned Cert	+70	+0.5
Ned M'd Bank	168.0	—0.2
Nedlloyd	182.0	+2.3
Oce Grinten	315.5	+1.0
Ommeren (Van)	31.2	+0.5
Pakhoed	67.3	—0.1
Philips	57.7	+0.2
Robeco	72.0	—0.2
Rodamco	138.7	+0.5
Rolince	67.3	+0.3
Rorento	44.3	+0.1
Royal Dutch	201.5	—0.7
Unilever	342.3	+0.8
VMF Stork	149	+0.5
VNU	210.5	+2
West Utr Bank	103.5	+0.4

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Apr. 10	Price Kroner	+ or —
Bergens Bank	142	.....
Borregaard	571	—4
Christiania Bank	141	.....
DenNorske Cred	150	+2
Elkem	142.5	+1.5
Kvaerner	170.5	+1.5
Norsk Data	395	.....
Norsk Hydro	107.0	—0.5
Storebrand	235	+2

SPAIN

Apr. 10	Price Pts %	+ or —
Bco Bilbao	336	—1
Bco Central	318	.....
Bco Exterior	200	—4
Bco Hispano	158	.....
Bco Popular	370	—2
Bco Santander	346	—3
Dragados	169	—4
Hidrola	84.0	—0.7
Iberduero	95.7	—0.8
Petroleos	149.5	—3
Telefonica	128.5	—0.5

SWEDEN

Apr. 10	Price Kronor	+ or —
AGA	389	.....
Alfa-Laval	192	.....
ASEA (Free)	308	+4
Astra (Free)	385	+10
Atlas Copco	110	+1
Cardo (Free)	251	+1
Cellulosa	118	.....
Electrolux B.	318	+1
Ericsson	292	+1
Esselte	345	.....
Mo och Domsjo	238	—3
Pharmacia	205	—1
Saab Scania Free	446	.....
Sandvik	385	.....
Skandia	335	.....
Skan Enski'da	47.5	.....
SKF	209.5	+1.5
St Kopparbergs.	131	.....
Sven Handlesbn.	161	—1
Swelvosh Match.	219	—1
Volvo B (Free)	278	+1

SWITZERLAND

Apr. 10	Price Frs.	+ or —
Alusuisse	845	—11
Bank Leu	3,565	—10
Brown Boveri	1,635	.....
Ciba Geigy	2,825	—15
do. (Part Certs)	2,290	+20
Credit Suisse	2,425	+20
Elektrowatt	2,876	+5
Fisher Geo.)	730	.....
Hoff-Roche PtCts	97,250	.....
Hoff-Roche 1/10.	9,725	.....
Jacobs Suchard.	6,390	+10
Jelmoli	1,950	—10
Landis & Gyr	1,680	+5
Nestle	6,340	.....
Oer-Buehrle	1,470	—20
Pirelli	299	+1
Sandoz (Br)	7,650	+25
Sandoz (PtCts)	1,335	+7
Schindler (PtCts)	785	.....
Sika	1,140	+40
Surveillance	4,210	+40
Swissair	1,068	—7
Swiss Bank	365	+1
Swiss Reinsce	10,150	+100
Swiss Volksbk.	1,410	+10
Union Bank	3,700	+35
Winterthur	3,800	+5
Zurich Ins.	21,375	—25

AUSTRALIA

Apr. 10	Price Aust $	+ or —
ANZ Group	4.5	—0.1
Alliance Oil Dev.	1.05	.....
Ampol Pet	1.81	—0.04
Ashton	0.97	.....
Aust. Cons. Ind	2.15	+0.02
Aust. Guarantee	2.5	.....
Aust. Nat. Inds	2.9	—0.05
Aust. Paper	2.7	.....
Bell Group	6.8	+0.1
Bell Res.	6.86	+0.14
Bond Corp Hldgs	1.42	—0.03
Boral	3.18	—0.02
Bougainville	2.47	+0.02
Brambles Inds	3.95	.....
Bridge Oil	2.48	—0.07
B.H. Prop.	6.4	+0.12
CRA	6.2	+0.02
CSR	3.0	.....
Castlemaine Tys.	4.85	+0.01
Coles (C.J.)	3.72	—0.01
Comalco "A"	2.87	+0.07
Consolidated Pet	0.46	.....
Costain Aust.	1.60	.....
Dunlop Olympic.	2.25	+0.02
Elders IXL	3.23	+0.03
Energ Res.	1.4	.....

AUSTRALIA (continued)

Apr. 10	Price Aust. $	+ or —
Gen. Prop. Trust	2.22	+0.02
Hardie (James)	3.15	.....
Hartogen Energy	2.5	+0.85
Herald W'y Times	4.32	+0.02
ICI Aust.	1.98	—0.02
Jimberlana F.P.	0.28	.....
Kia Ora Gold	0.17	+0.01
Lend Lease	6.26	—0.04
MIM	3.34	—0.04
Mayne Nickless	4.25	.....
Myer Emporium	1.84	—0.01
Nat. Aust. Bank.	3.46	+0.01
News	7.2xc	+0.2
Nicholas Kiwi	1.95	—0.03
North Bkn Hill	2.65	+0.03
Oakbridge	0.65	+0.08
Pancont'l	1.62	.....
Pioneer Conc	1.74	+0.02
Poseidon	4.08	+0.08
Queensland Coal	1.88	+0.06
Reckitt & Coln.	3.38	.....
Repco	1.21	+0.01
Santos	6.4	+0.16
Smith (Howard)	4.37	+0.07
Thos. Natwide	1.9	+0.01
Tooth	5.8	.....
Vamgas	4.46	+0.55
Western Mining	4.18	+0.04
Westpac Bank	3.46	—0.01
Woodside Petrol	1.56	+0.06
Woolworths	4.12	+0.04
Wormald Intl.	3.55	.....

HONG KONG

Apr. 10	Price H.K.$	+ or —
Bank East Asia	23.0	—0.1
Cheung Kong	15.1	—0.3
China Light	15.4	.....
Evergo	1.16	.....
Hang Seng Bank	44.0	—4.75
HK Electric	7.6	—0.05
HK Kowloon Wh.	6.25	—0.05
HK Land	5.3	—0.05
HK Shanghai Bk.	8.95	—0.06
HK Telephone	70.5	—1
Hutchinson Wpa	23.3	—0.1
Jardine Math.	11.0	—0.3
New World Dev.	6.5	—0.1
Orient O'seas	2.22	.....
O'seas Trust Bk.	2.85	+0.05
SHK Props	9.65	—0.1
Shell Elect.	1.5	.....
Swire Pac A	23.9	.....
TV—B	6.2	.....
Wheel'k Mard A.	7.25	.....
Wheel'k M'time	1.10	.....
World Int. Hldns.	2.17	+0.1

JAPAN

Apr. 10	Price Yen	+ or —
Ajinomoto	1,150	+70
Alps Electric	1,860	—10
Amada	1,050	—10
Asahi Chem	945	+45
Asahi Glass	891	—3
Bridgestone	524	—4
Canon	1,250	—20
Casio Comp.	1,670	—20
Chugai Pharm	1,250	+100
Citizen	543	—3
Daiei	614	.....
Dai Nippon Ptg	1,020	+10
Daiwa House	654	.....
Ebara	460	—14
Eisai	1,740	+30
Fanuc	9010xr	—70
Fuji Bank	1,560	.....
Fuji Film	1,690	.....
Fujisawa	1,130	+40
Fujitsu	1,120	+10
Green Cross	3,570	+150
Hasegawa	385	+11
Heiwa Real Est.	866	—25
Hitachi	819	—5
Hitachi Credit	1,080	.....
Honda	1,330	.....
House Food	711	+3
Hoya	2,190	.....
Itoh (C)	359	+2
Ito. Yokado	2,690	+60
Iwatsu	995	—5
JACCS	324	.....
JAL	6,270	+110
Jusco	740	+1
Kajima	293	—7
Kao Soap	806	—4
Kashiyama	619	—4
Kirin	625	+8
Kokuyo	895	—7
Komatsu	447	—1
Konishiroku	670	.....
Kubota	343	—7
Kumagai	594	+14
Kyoto Ceramic	5,630	+120
Maeda Const.	506	—3
Makino Milling	1,220	—20
Makita	1,000	.....
Marubeni	316	—2
Marudai	679	+9
Marui	1,030	—10
MEI	1,480	—10
M'ta Elec Works	745	—23
M'bishi Bank	1,550	.....
M'bishi	525	.....
M'bishi Elect	400	—3
M'bshi Estate	612	—7

JAPAN (continued)

Apr. 10	Price Yen	+ or —
MHI	268	+1
Mitsui	348	—2
Mitsui Estate	661xc	—6
Mitsukoshi	487	—3
NGK Insulators	925xc	+12
Nihon Cement	261	—4
Nippon Denso	1,330	—20
Nippon Elect	1,070	—10
Nippon Express	568	—2
Nippon Gakki	1,880	—50
Nippon Kokan	136	—1
Nippon Oil	885xc	+6
Nippon Seiko	660	.....
Nippon Shimpan	670	+6
Nippon Steel	151	.....
Nippon Suisan	357	—5
NTV	10110xc	+10
Nippon Yusen	242xc	—3
Nissan Motor	656	+1
Nisshin Flour	515	—5
Nisshin Steel	169	—3
Nomura	1,170	—20
Olympus	1,130	—30
Orient Leasing	3,030	+40
Pioneer	2,530	—80
Renown	635	+5
Ricoh	895	—6
Sankyo	1,410	—30
Sanyo Elect.	462	+1
Sapporo	449	—9
Sekisui Prefab	598	+15
Seven-Eleven	9,280	—50
Sharp	997	—3
Shimadzu	708xc	—7
Shionogi	730xc	+13
Shiseido	1,180	—30
Sony	4,360	—10
Stanley	909	—25
S'tomo Bank	1,700	—10
S'tomo Elect	690	—5
S'tomo Marine	630	—2
S'tomo Metal	152	+1
Taihei Dengyo	476	—1
Taisei Corp.	216	—2
Taisho Pharm	1,440	+90
Takeda	896	+1
TDK	5,450	—60
Teijin	466	—4
Teikoku	699	+16
Tokyo Marine	855	—6
TBS	780	.....
Tokyo Elect Pwr	1,660	+10
Tokyo Gas	174	+1
Tokyo Sanyo	685	—8
Tokyo Style	754	—6
Tokyu Corp	346	—14
Toppan Print	862	+2
Toray	488	+8
Toshiba Elect.	400	—3
TOTO	650	+9
Toyo Seikan	877	—18
Toyota Motor	1,250	—10
Victor	2,100	+160
Wacoal	728	+13
Yamaha	770	.....
Yamanouchi	4,160	+130
Yamazaki	668	+28
Yasuda Fire	474	+12
Yokogawa Bdge.	444	+3

SINGAPORE

Apr. 10	Price $	+ or —
Boustead Hldgs.	1.73	—0.01
Cold Storage	2.71	—0.01
DBS	6.2	—0.05
Genting	5.7	.....
Haw Par. Bros.	2.26	—0.04
Hong Leong Fin.	2.9	.....
Inchcape Bhd.	2.44	.....
Keppel Shipyard	1.49	—0.06
Malay Banking	5.9	—0.1
Malay Utd. Ind.	2.38	—0.03
Multi Purpose	0.89	.....
OCBC	9.1	—0.05
OUB	3.86	—0.04
Public Bank	1.49	—0.04
Sime Darby	1.91	—0.01
Singapore Press	6.35	—0.05
Straits Trdg.	4.28	—0.02
Tat Lee Bk	2.75	—0.02
UOB	4.44	—0.02

SOUTH AFRICA

Apr. 10	Price Rand	+ or —
Abercom	1.6	—0.05
AE&CI	7.6	+0.2
Allied Tech	54.5	.....
Anglo Am Coal	40	.....
Anglo Am Corp	26.35	+0.25
Anglo Am Gold	172.5	.....
Barclays Bank	14.25	.....
Barlow Rand	10.67	+0.12
Buffels	84.5	+0.5
CNA Gallo	2.45	.....
Currie Finance	3.55	.....
De Beers	10.37	+0.12
Driefontein	53.75	.....
FS Geduld	57	.....
Gold Fields SA	33	.....
Highveld Steel	3.9	.....
Nedbank	9.9	+0.05
OK Bazaars	13.5	.....
Protea Hldgs.	1.5	.....
Rembrandt	34.75	+1.75
Rust Plat	17.6	—0.3
Safren	14.1	.....
Sage Hldgs	7.5	.....
SA Brews	6.8	+0.1
Smith (AG)	21.20	.....
Tongaat Hulet	6.25	.....
Unisec	4.75	.....

CANADA

TORONTO

Prices at 1.30pm April 10

Sales	Stock	High	Low	Close	Chng
2720	Celanese	$7	6⅞	7	+⅛
60300	C Distb A	$6	5¾	5¾	—¼
55900	CDistb B f	$5⅞	5¾	5¾	—⅛
1300	CTL Bank	$10	9⅞	9⅞	
100	Conventrs	$5½	5½	5½	
20	Conwest A	$8¼	8¼	8¼	+⅛
3650	Inter Pipe	$36	35⅞	36	—⅛
30200	Jannock	$11¼	11⅛	11¼	
4300	Kam Kotia	125	123	125	+2
375	Kelsey H	$38	38	38	+½
870	Kerr Add	$16¼	16	16⅛	—⅛
10971	Labatt	$23⅜	23	23¼	+¼
700	Scotts I	$22⅞	22⅝	22⅞	+⅜
6100	Sears Can	$7¾	7⅝	7¾	
129767	Shell Can	$28⅞	28	28⅝	+⅝
21266	Sherritt	$7	6½	7	+⅜
500	Signtee	$8⅞	8⅞	8⅞	+⅛
100	Slater B f	$10⅜	10⅜	10⅜	—⅛

Total sales 9,072,511 shares

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 39

OVER-THE-COUNTER

Nasdaq national market, 2pm prices

Continued on Page 48

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Tr 3 87	£86¹¹⁄₁₆	+£⅛
Ex 13 13-17	£119⅝	+£⅝
Assa News	880	+50
Aust Cons Mins	50	+50
Barclays (Nil-pd)	188pm	+6
Bentalls	91	+6
Boustead	95	+11
Bridge Oil	143	+13
Capital TV Fac	59	+9
Crusader Oil	160	+15
Debenhams	228	+5
Dubilier	192	+10
Evode	119	+7
Fitch & Co	430	+15
Gt Western Res	255	+10
Kwik-Save	190	+6
Low & Bonar	378	+10
New London Oil*	208	+10
Santos	356	+16
Smiths Inds	206	+13
Steel Burrill	410	+17
Vamgas	245	+20
Woodside Pet	87	+23

FALLS

Brown (M)	435	—8
Hawley Group	94	—8
Pearl Assoc	£10⅝	—£⅝

* New

LONDON STOCK EXCHANGE

MARKET REPORT

Good advance in equity leaders falters late but Gilts improve after-hours

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar 25	Apr 11	Apr 12	Apr 22
Apr 15	Apr 25	Apr 26	May 7
Apr 29	May 9	May 10	May 20

* "New-time" dealings may take place from 9.30 am two business days earlier.

Confidence began to return to the London equity market yesterday. *As holiday and financial* year considerations faded away, attendance on the floor of the *house improved and an* expansion in business raised hopes that investment activity was starting to revive after a prolonged lull.

Midway through the afternoon session, the tone was particularly firm. The 2.30 pm announcement of the March banking statistics, which showed both sterling M3 and bank lending higher but below some estimates, gave further cause for encouragement. Soon afterwards, the FT Ordinary share index stood nine points up. *After-hours, however,* the market became uncertain and in a thin late trade, blue *chip issues slipped to leave the* index only 4.4 higher on balance at 960.3.

The setback was blamed on sterling which, along with other currencies, responded to late *dullness in the dollar.* Earlier, a gently rising exchange rate had failed to impede the equity *advance and had brought only* token movements to Government stocks.

Investors in the latter area had held fire awaiting the March money supply figures. A *healthier tendency in the U.S.* bond market overnight left London unimpressed, although *Gilt-edged prices had hardened.* Interest revived after news of the money statistics, but it faded *only to increase once again after* the official 3.30 pm close.

Medium life maturities *attracted good demand and after-*hours the authorities sold stock of the taplet, Treasury 9 per cent *1994*, at 96¼. *Long-dated Gilts* also rose and selected issues managed to double their gains *late in the day to ¼ and some-*times more. Falling interest rates—three months interbank slipped to 13 per cent—rekindled hopes of cheaper borrowing costs in the not too distant future.

Pearl Assurance react

A firm tone in the Insurance sector evaporated following the preliminary statement from **Pearl Assurance**; the latter lost ⅜ to £10⅛ after the disclosure of annual net profits well below market estimates and unexpected reinsurance losses. **Legal and General** settled a couple of pence chaper at 663p, after 668p, and **Equity and Law** a penny off at 237p, after 243p. Lloyds brokers displayed a bright feature in USM-quoted **Steel Burrill Jones** which ended 17 up at 410p following the excellent preliminary results.

Business among the major clearing banks centred on **Barclays**, which recovered 7 to 340p, after 344p; the new nil-paid share rallied 8 to 188p premium on the view that the shares had been oversold.

Matthew Brown dipped 8 to 435p to stand at a maiden dis*count to the unwelcome shares-*and-cash offer from Scottish and Newcastle, which were a penny *cheaper at 128p; S and N now* controls 14.4 per cent of the Blackburn-based brewery.

Leading Buildings moved ahead on sporadic institutional buying before settling a shade below the best. Recently-dull **Blue Circle** rallied to 483p prior to closing 3 dearer on balance at 480p; the annual results are due towards the end of the month. **Tarmac**, preliminary statement scheduled for April 30, hardened 4 to 520p. Among secondary issues, **Erith** shed a penny to 64p, *after 62p, the in-*creased annual profits being outweighed by the warning about *trading in the first half of the* current year. **Burnett and Hallamshire**, down 19 on Tues*day as worries about Californian* debt problems revived, managed a tentative rally to 55p before *slipping back again* to close 5 lower on balance at 45p.

After opening 5 lower at 758p, **ICI** *edged forward to 764p before* drifting off on currency considerations to close 6 cheaper on *balance at 757p. Other Chemicals* shrugged aside the threat of in*dustrial action following the* rejection of a 5 per cent pay offer and closed on a firm note. **Brent** improved 3 to 120p, as did **Yorkshire**, *to 75p.*

Debenhams up again

Among leading Retailers attention again centred on **Debenhams** *which advanced* 5 to a new 1984-85 peak of 228p amid persistent speculation of a bid. **Harris Queensway**, widely tipped as likely suitors, eased 4 to 190p; the preliminary results are *scheduled for next Thursday.* Business in other major Stores was reduced to a trickle with *losses of 7 common to* **Woolworth**, 775p, and **GUS "A."** 773p. Dealers also reported subdued conditions among second-line issues. **Bentalls** stood out with a gain of 6 at 91p, while occasional support was *evident for* **Combined English**, 3 up at 115p and **J. Hepworth**, 4 dearer at 181p; the last-mentioned is due to announce interim figures next Tuesday. In contrast, **Heelamat** eased a few pence to 76p in belated reaction to cautious weekend Press comment.

Leading Electricals displayed a firmer trend with gains of 6 being recorded in **BICC**, 253p, and **GEC**, 184p. **Plessey** and **Racal** both edged up a couple of pence to the common price of 196p. A flurry of speculative activity left **Dubilier** 10 to the good at 192p, while **Energy Services**, still reflecting hopes of a counter-bid, closed 4 dearer at 94p, after 96p.

Thermal Scientific continued to make headway and finished 5 up at 280p.

Movements in the Engineering leaders were small and irregular. **Vickers** made further progress *before drifting off late to close* only 2 higher on balance at 261p, after 265p, while **Hawker** *closed a shade dearer at 410p* awaiting tomorrow's preliminary figures. Among secondary issues, **Aurora** *responded to good annual* results with a rise of 4½ at 23½p, but **S. W. Farmer**, up to 88p in *front of the preliminary figures,* ran back smartly afterwards to close only 2 better on balance at 70p. **APV** came *to life* with a rise of 12 to 230p, while **United Spring** continued to attract buyers at 24½p, up 2.

Overall business in the Food sector remained thin, but buyers showed interest in **Northern Foods**, up 6 at 226p, and **Kwik Save**, the same amount to the good at 190p; the latter's half-year figures are due tomorrow. **Albert Fisher** added 3 to 133p, after 134p, following excellent interim results and U.S. acquisition news.

Interest in the miscellaneous industrial leaders was selective. *Occasional demand ahead of next* Monday's interim figures left **Glaxo** ¼ higher at £11, while *Hanson Trust edged up 4 to 206p.* **Beecham** finished a couple of pence firmer at 362p, after 365p. *Elsewhere,* **Smiths Industries** featured a rise of 13 to 206p in response to better-than-expected *interim figures.* **Low and Bonar**, the subject of persistent profit-taking recently, rallied 10 to *378p, while demand ahead of* next Monday's preliminary statement left **Pentland** 29 to the *good at 559p.* Interest revived in **Pearson**, which improved 10 to 718p, but comment on the annual *report brought a fall of 8 to 94p* in **Hawley Group**. **Reuters B** improved 9 to 359p following the deal to act as a *distribution* centre for U.S. primary dealers in American government securities. **Consultants**, still reflecting Press mention, put on 4 further to 68p. **Expamet** gained 3 to 109p and **H. Young** a like amount to 168p following trading statements, while **Inter-City** continued firmly at 52p, up 4. Other bright spots included **Rank Organisation**, 7 dearer at 350p, and **Evode**, a similar amount higher at 119p. In contrast, some recent favourites again encountered profit-taking. **Courtney Pope** fell 15 to 350p and **Eastern Produce** *12 to 350p,* while **Appledore** gave up 4 at 166p and **Sale Tilney** 8 at 595p.

Recently-overlooked **Capital TV Facilities** revived strongly *and gained 9 to 59p, while* **Intervision** put on 2 to 7p in belated response to Press comment.

Jaguar, unsettled of late by currency fluctuations, rallied 6 to 304p. **A.C. Cars**, on the other hand, dipped 5 more to 45p despite "call" option activity. **Motor Distributors** featured fresh support for **Lex Service**, which ended 9 up at 212p.

Publishers returned to favour, and in a lively business, usually erased the losses sustained on Tuesday. **Associated Newspapers** highlighted with an advance of 50 to 880p following a bullish circular from brokers Grieveson Grant; associate **Daily Mail A** improved 1⅝ to £12⅞ in sympathy. **Fleet Holdings** touched 284p before settling only 3 dearer on *balance at 279p awaiting further* news of the bid approach from **United Newspapers**, 5 better at *308p.* **Octopus**, *due to reveal* annual figures next Tuesday, rose 20 to a new high of 975p. *Elsewhere,* **Saatchi and Saatchi** rallied 15 to 890p, but last week's high-flier **Valin Pollen** gave up 10 more to 490p. Design consultants **Fitch** firmed 15 to 430p following the increased annual profits and dividend.

Leading Properties marked time until late in the session when a slightly firmer trend emerged. Profit-taking clipped 16 from **Speyhawk** at 232p and 10 from **Daejan** at 375p.

Tricentrol advance

Strong rumours that a full-scale bid for **Tricentrol** from **Enterprise Oil** is imminent saw Tricentrol shares rally from an initially easier 240p to a closing level of 252p, a net gain of 9; Enterprise, which last week *disclosed a 4.7 per cent holding* in Tricentrol, hardened a couple of pence to 204p. Other leading *oils were quietly steady.*

Second-line issues provided a firm feature in **Great Western Resources**, *10 up at 255p, follow-*ing news of the acquisition of the U.S. oil and gas interests of *America's Whittaker Corporation* for $10m.

The Australian oils sector *sprang to life in the wake of the* joint bid by Broken Hill Proprietary and Shell Australia to *acquire the 57.4 per cent of* **Woodside Petroleum** not already owned; BHP and Shell Australia *each hold a 21.3 per cent of* Woodside. The bid, A$1.60 or 88.7p a share, lifted **Woodside** *23 to 87p. BHP rose 11 to 356p.* Other "down-under" oils raced ahead led by **Vamgas**, 50 per *cent-owned by Woodside, which* jumped 20 to 245p. **Santos** advanced 16 to 356p, **Crusader** *added 15 at 160p and* **Bridge Oil** put on 13 to 143p. Press comment on the latest well being *drilled in Australia's Canning* Basin, **East Yeeda 1**, prompted good support for **Eagle Corporation**, 2¼ firmer at 11¼p.

Among Overseas Traders, **Boustead** attracted fresh demand *and spurted 11 to 95p; the annual* figures, originally scheduled for next Tuesday, will now be revealed a week later. **Lonrho** firmed 4 more to 179p.

Australian gains

The level of turnover in mining markets increased significantly from the depressed levels *of recent days. Already boosted* by the favourable effects on sentiment of the massive take*over bid for Woodside Petro-*leum, Australians were given a further fillip by the strong performance of bullion during the late afternoon. The gold price moved narrowly in the region of $322 to $323 in morning trading but suddenly jumped around $6 an oz during the afternoon fixing amid rumours of further banking problems in the U.S.—this time in Oklahoma—before settling a net $5.25 firmer at $328.25.

"Down-under" golds, a strong market over the past few weeks reflecting the favourable effects of a weak Australian dollar against the U.S. currency, were quick to respond to the upturn in bullion, and leading issues attracted a flurry of buying interest. **Gold Mines of Kalgoorlie** were left with a 25 gain at 485p while **Central Norseman** rose 20 to 448p and **Poseidon** 5 to 228p. In the second-liners **Sons of Gwalia** moved up 3 more to a peak of 93p and **Australian Consolidated Minerals** jumped 5 to a year's high of 50p, the latter following news that the company has increased its ore reserves at the Westonia gold prospect in Western Australia. Favourable Press comment generated strong support for **North Kalgurli**, 2 harder at 44p.

South African Golds were a fraction easier at the outset, reflecting gold's marginal decline in the U.S. overnight, and marked time until the afternoon when the rally in bullion encouraged bear closing and speculative buying. *The Gold* Mines index moved up 1.8 to 518.0.

Good gains in domestic equities and the late strength of gold encouraged a firm perfor*mance from UK-registered* Financials. **Consolidated Gold Fields** put on 10 to 545p while **Rio Tinto-Zinc**, *scheduled to* report preliminary results next Wednesday, added 5 at 645p.

Activity in Traded Options improved slightly and total contracts struck amounted to 5,347. Attention was mainly directed towards financial issues; **Commercial Union** attracted a lively turnover with 1,064 calls transacted, 398 in the July 220's. **Barclays**, subdued recently following the rights issue, recorded 836 calls, almost half of which were struck in the May 385's.

FINANCIAL TIMES STOCK INDICES

	Apr. 10	Apr. 9	Apr. 4	Apr. 3	Apr. 2	Apr. 1	year ago
Government Secs.	81.04	80.89	80.76	80.85	80.87	80.95	82.68
Fixed Interest	85.44	85.42	85.46	85.45	85.46	85.49	86.43
Ordinary	960.3	955.9	962.5	956.5	969.4	963.8	886.1
Gold Mines	518.0	516.2	509.3	514.4	506.2	507.8	668.3
Ord. Div. Yield	4.74	4.76	4.73	4.74	4.68	4.70	4.36
Earnings, Yld.% (full)	11.88	11.93	11.86	11.89	11.72	11.71	9.93
P/E Ratio (net) (*)	10.36	10.31	10.38	10.35	10.39	10.41	12.18
Total bargains (Est.)	25,340	26,597	25,761	26,906	23,412	29,777	34,239
Equity turnover £m.	—	284.20	308.67	390.61	426.65	380.67	382.31
Equity bargains	—	26,395	28,657	27,660	26,969	25,461	20,583
Shares traded (ml)	—	140.8	165.7	191.6	194.7	158.4	174.7

10 am 958.3. 11 am 962.0. Noon 963.4. 1 pm 963.8.
2 pm 964.7. 3 pm 964.9.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=9.96.

† Corrected.

HIGHS AND LOWS / S.E. ACTIVITY INDICES

—	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	†75.72 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/5/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1/85)	755.3 (25/7/84)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	711.7 (9/3/84)	439.5 (25/1/85)	734.7 (15/2/83)	43.5 (26/10/71)

	Apr. 10	Apr. 9
Daily Gilt Edged Bargains	144.5	134.6
Equities Bargains	171.0	165.7
Value	513.8	635.9
5-day Average Gilt Edged Bargains	145.1	146.0
Equities Bargains	175.1	170.2
Value	671.3	704.2

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

		Wed April 10 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Tues April 9 Index No.	Thurs April 4 Index No.	Wed April 3 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (207)	540.32	+0.8	10.51	4.19	12.00	3.35	535.82	540.34	538.10	516.87
2	Building Materials (24)	[illegible]									
3	Contracting, Construction (29)	[illegible]									
4	Electricals (15)	[illegible]									
5	Electronics (36)	[illegible]									
6	Mechanical Engineering (62)	[illegible]									
8	Metals and Metal Forming (8)	[illegible]									
9	Motors (17)	[illegible]									
10	Other Industrial Materials (16)	[illegible]									
21	CONSUMER GROUP (179)	[illegible]									
22	Brewers and Distillers (23)	[illegible]									
25	Food Manufacturing (20)	[illegible]									
26	Food Retailing (13)	[illegible]									
27	Health and Household Products (9)	[illegible]									
29	Leisure (22)	[illegible]									
31	Newspapers, Publishing (12)	[illegible]									
32	Packaging and Paper (14)	[illegible]									
34	Stores (44)	[illegible]									
35	Textiles (19)	[illegible]									
36	Tobaccos (3)	[illegible]									
39	OTHER GROUPS (97)	[illegible]									
41	Chemicals (17)	[illegible]									
42	Office Equipment (4)	[illegible]									
44	Shipping and Transport (11)	[illegible]									
45	Miscellaneous (63)	[illegible]									
46	Telephone Networks (2)	[illegible]									
49	INDUSTRIAL GROUP (483)	[illegible]									
51	Oils (17)	[illegible]									
59	500 SHARE INDEX (500)	[illegible]									
61	FINANCIAL GROUP (115)	[illegible]									
62	Banks (6)	[illegible]									
65	Insurance (Life) (8)	[illegible]									
66	Insurance (Composite) (7)	[illegible]									
67	Insurance (Brokers) (7)	[illegible]									
68	Merchant Banks (11)	[illegible]									
69	Property (50)	[illegible]									
70	Other Financial (26)	[illegible]									
71	Investment Trusts (106)	[illegible]									
81	Mining Finance (4)	[illegible]									
91	Overseas Traders (14)	[illegible]									
99	ALL-SHARE INDEX (739)	[illegible]									
	FT-SE 100 SHARE INDEX	[illegible]									

FIXED INTEREST

	PRICE INDICES	Wed April 10	Day's change %	Tues April 9	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	116.64	+0.11	116.51	—	3.17
2	5-15 years	128.34	+0.45	127.90	0.13	3.87
3	Over 15 years	136.21	+0.26	135.86	—	2.83
4	Irredeemables	148.85	+0.35	148.37	—	1.62
5	All stocks	127.28	+0.29	126.89	0.06	3.36
6	Debentures & Loans	109.34	+0.18	109.15	—	2.39
7	Preference	77.24	—	77.24	—	2.15
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	110.19	+0.01	110.19	—	0.78

AVERAGE GROSS REDEMPTION YIELDS: [illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
§155	F.P.	9/5	172	165	✠Assoc. Steel Dist.£1	170	......	u8.0	2.1	6.7	11.7
§82	F.P.	19/4	79	72	✠BTS 10p	73	......	bg3.4	2.0	6.6	9.5
¶185	F.P.	3/5	225	170	✠Bedford (William)5p	170	—5	n3.5	2.6	2.9	18.8
¶112/30	F.P.	17/5	115	100	Blagden Inds.	112	...	7.2	1.8	9.2	7.6
§60	F.P.	5/4	88	70	✠Crown Int'l.Prod10p	70	......	bg2.1	1.6	4.3	17.9
‖‖	F.P.	—	127	116	*Cullen's Hldgs 10p*	125	......	—	—	—	—
—	F.P.	—	42	37	German Small. Wrrts.	40	......	—	—	—	—
¶145	F.P.	14/3	180	163	Hillsdown Hldgs. 10p.	153	—2	bgq3.5	3.7	3.5	14.9
§82	F.P.	3/5	86	80	✠Laidlaw Thomson	81	+1	g3.5	2.0	6.2	11.3
¶145	F.P.	26/4	172	156	Mann 20p	170	—2	bg3.5	2.8	2.9	17.3
100	F.P.	12/4	130	117	✠Mayhew Foods 10p	118	...	bg1.93	2.9	2.3	18.5
175	F.P.	16/5	210	198	New London Oil 5p.	308	+10	—	—	—	—
100	75	1/3	78	70	*Pacific Assets Tst.50p*	76	—½	—	—	—	—
—	F.P.	—	44	39	Do. Ser. 1 Warrants	41	...	—	—	—	—
**	F.P.	—	90	75	P.&O. Warrants	75	—5	—	—	—	—
100	F.P.	16/4	107	88	✠Pepe 10p	89	—3	u3.0	2.6	4.8	11.8
£7.25'	F.P.	26/4	730	690	Plantation Tst Units‡‡	705	......	—	—	—	—
—	F.P.	26/4	95	90	REA Warrants	90	......	—	—	—	—
‖‖	F.P.	—	69	37	✠Sangers	62	......	—	—	—	—
100	F.P.	10/5	98	90	Shorrock 10p	92	...	1.5	2.5	2.3	24.2
§128	F.P.	11/4	165	142	✠Sims Catering 5p	143	—4	bg3.5	2.1	3.7	16.6
¶175	F.P.	8/5	175	170	Sintrom 10p	175	......	ug1.84	3.3	1.5	28.9

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price £	+ or −
§101	£51	15/2	54	50	Felixstowe Dock Prf. Units †	54	+1
85.81	£30	19/6	31	24	Int. Am. Dev. Bk. 9¾Ln. 2015	30½	......
¶100	£10	23/5	12¾	13	Mid Southern Wtr. 9% Red. Prf. 1990	12¾	......
—	F.P.	—	100	99¾	Nationwide Bldg. Soc. 12¾% 31.3/85	100	......
—	F.P.	26/4	97	93	REA Hldgs. 9% Cum. Pref.	95	......
**	F.P.	26/4	111	105	Sheafbank Prop. 6% Cum. Conv. Prf.	106	......
49.895	£30	12/7	35½	30	Spain Kingdom of 11¾% Ln 2010	35¼	...
91.975	F.P.	27/3	96½	89½	Sweden 11% Ln. 2012	96	+¼

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+ or −
82	Nil	31/5	17pm	14pm	Aaronson Bros. 10p	17pm	......
150	Nil	14/6	222pm	188pm	Barclays £1	189pm	+6
178	Nil	15/5	17pm	15pm	Bespak 10p	16½pm	......
65	Nil	17/5	223pm	173pm	Bullough 20p	173pm	—12
38	Nil	16/5	10pm	6½pm	FKI Electricals 10p	6½pm	......
245	F.P.	31/5	323	300	Fisons	306	+5
238	Nil	10/5	35pm	17pm	Glass Glover 5p	22pm	+5
70	F.P.	—	76	67	Jackson Expln. †	70	+3
[illegible]							
240	Nil	13/5	28pm	5pm	Watmoughs	[illegible]	
15	Nil	17/5	4pm	3pm	Worthington A	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital, cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment letters or fully-paid. ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. † Figures assumed. †† Official London Listing. †† Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share. ⊕ Figures or report awaited. ‡‡ Units comprising 5 Ord., 1 Warrant and £2.50 nominal of conv. stock.

NEW HIGHS AND LOWS FOR 1984/5

NEW HIGHS (40)

BRITISH FUNDS (4)
Treas. 3pc 1985 — Exch. 2½pc 1987
Exch. 2½pc 1986 — Treas. 3pc 1987

FOREIGN BONDS (1)
Hung. '24 Asstd.

BUILDINGS (1)
Access Satellite

CHEMICALS (2)
Delmar — Wolstenholme Rink

STORES (4)
Debenhams — Stanley (A.G.)
Menzines (J.) — Ward White

ELECTRICALS (1)
Thermal Scientific

ENGINEERING (4)
Aurora — Greenbank Indusl.
Do. 9pcCnv.Pfd. Ord. — United Spring

FOODS (1)
Park Food

INDUSTRIALS (8)
Aaronson Bros. — Rooner
Grampian Hldgs. — Do. A
Inter-City Inv. — Wade Potteries
Pentland Inds. — *Young (H.)*

INSURANCE (1)
Steel Burrill Jones

NEWSPAPERS (2)
Metal Bulletin — Octopus Publishing

PAPER (1)
Fitch & Co.

PROPERTY (2)
Grosvenor Square — Frogmore Ests.

TRUSTS (5)
CSity of Oxford — *Family Inv.*
Cystic Fibrosis — Lowland Inv.
Eng. & Intl. Warrants

MINES (3)
Cons. Modderfontein — Sns of Gwalia
Austr.Cons. Minerals

NEW LOWS (21)

AMERICANS (3)
Home Federal — Microcomptr. Memrs.
Imatron Inc.

BANKS (1)
Bank of Ireland

BEERS (1)
Bulmer (H. P.)

STORES (2)
Gent (S. R.) — *Goldberg A*

ELECTRICALS (3)
Air Call — Plasmec
Bush Radio

FOODS (4)
Barr (A.G.) — Slaters Food
Hunter Saphir — Whitworth's Food

INDUSTRIALS (3)
Clarke (Clement) — Skeechley
Fergebrook

LEISURE (2)
Anglia TV A — Spectrum

PAPER (1)
Addison Page

MINES (1)
Stilfontein

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Assoc Newspapers	880	+50
Aurora	23½	+4½
Barclays†	188pm	+6
Daily Mail A	£12⅞	+⅝
Evode	119	+7
Fleet Holdings	279	+3
Hanson Trust	208	+4
Lon & Manchester Grp	712	—6
New London Oil	208	+10
Saatchi and Saatchi	890	+15
Smith Inds	206	+13
Steel Burrill Jones	410	+17

† Nil-paid

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr 1	Apr 19	July 11	July 22
Apr 22	May 3	July 25	Aug 5
May 7	May 17	Aug 8	Aug 19

For rate indications see end of Share Information Service

Stocks favoured for the call included **Combined Technologies, North Kalgurli, AC Cars, Commercial Union, Barratt Developments, Flogas, Crystalate, Fobel International, Youghal Carpets, Silvermines, James Finlay, Aitken Hume, Helene of London, Tricentrol, Eglinton Oil and Gas, Epicure, Polly Peck, Eagle Corp, Burnett and Hallamshire, Strong and Fisher, Brunswick, Premier Oil** and **Meekatbara**. A put was done in **Peters Stores**, no doubles were reported.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	84	6	17
Corpns. Dom. & Foreign Bonds	16	10	48
Industrials	251	336	855
Financial & Props.	90	132	323
Oils	32	12	80
Plantations	1	6	10
Mines	62	28	89
Others	61	74	71
Totals	597	604	1,493

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Barclays†	19	182pm	−10
Brntt Hallams.	15	50	−19
Falcon Res	15	449	−15
Low and Bonar	14	368	−20
Comm Union	12	214	+ 1
Grand Met	12	290	− 5
GUS A	11	780	− 5
NatWest Bank	11	590	−10
Brit Aerospace	10	425	− 3
ICI	10	763	− 3
Jaguar	10	298	+ 1
Sun Alliance	10	445	−10
Thorn EMI	10	395	− 3
BTR	9	673	− 5

† Nil-paid

EUROPEAN OPTIONS EXCHANGE

Series	May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
[illegible]							

TOTAL VOLUME IN CONTRACTS: 27,337

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls Jly.	Calls Oct.	Puts Apr.	Puts Jly.	Puts Oct.
B.P. (*540)	460	82	100	110	1	3	8
	500	47	68	76	2	8	17
	550	10	35	43	22	25	33
	600	2	12	25	62	65	73
Cons. Gold (*544)	460	87	97	107	1½	5	8
	500	50	60	74	4	14	20
	550	10	35	47	15	36	44
Courtaulds (*140)	110	32	36	—	1½	2	—
	120	22	26	—	1½	2	—
	130	16	18	—	2	5	—
	140	6	14	17	3¾	8	10
[illegible]							

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Imperial Gp. (*185)	160	31	35	—	2	3	—
	180	15	31	26	6½	11	15
	200	9	14	18	20	25	32
	230	2	7	12	39	42	45
LASMO (*328)	300	35	[illegible]				
	330	18	[illegible]				
	360	9	[illegible]				
	390	4	[illegible]				
Lonrho (*179)	140	41	[illegible]				
	160	21	[illegible]				
	180	8½	[illegible]				
	200	1½	[illegible]				
[illegible]							

Apr. 10. Total contracts 5,347. Calls 3,650. Puts 1,697.
* Underlying security price.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984-85 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	Treas 3pc 1985	[illegible]	[illegible]	3.03	13.04
[illegible]	[illegible]	Treas 11½pc 1985	[illegible]	[illegible]	11.54	12.82
[illegible]	[illegible]	Treas 8¼pcCnv '85	[illegible]	[illegible]	8.89	12.67
[illegible]	[illegible]	Exch. 12¼pc 1985	[illegible]	[illegible]	12.27	12.36
[illegible]	[illegible]	Exch. 11¼pc '86	[illegible]	[illegible]	11.76	11.83
[illegible]	[illegible]	Treas. 10pcCnv 1986	[illegible]	[illegible]	10.17	11.77
[illegible]	[illegible]	Treas 3pc 1986	[illegible]	[illegible]	3.20	9.13
102	[illegible]	Exch. 10½pc Cv '86	[illegible]	[illegible]	10.64	11.80
[illegible]	[illegible]	Treas 12pc 1986	[illegible]	[illegible]	11.99	11.89
[illegible]	[illegible]	Treas 8¾pc 1984-86‡‡	[illegible]	[illegible]	8.83	11.67
[illegible]	[illegible]	Exch. 14pc 1986	[illegible]	[illegible]	13.59	11.84
90	85	Exch. 2½pc 1986	99	[illegible]	2.78	9.30
[illegible]	[illegible]	Exch. 13¼pc 1987	[illegible]	[illegible]	12.95	11.72
[illegible]	[illegible]	Treas 10¼pcCv '87	[illegible]	[illegible]	10.50	11.68
[illegible]	[illegible]	Exch 2½pc 1987	[illegible]	[illegible]	2.83	9.36
[illegible]	[illegible]	Exch. 10½pc 1987	[illegible]	[illegible]	10.71	11.62
[illegible]	87	Funding 6½pc '85-87‡‡	[illegible]	[illegible]	7.10	11.36
[illegible]	[illegible]	Treas. 10pc 1987	[illegible]	[illegible]	10.34	11.71
[illegible]	[illegible]	Treas 3pc 1987	[illegible]	[illegible]	3.45	9.56
105	[illegible]	Treas. 12pc 1987	[illegible]	[illegible]	11.91	11.65
[illegible]	[illegible]	Treas 7¾pc 1985-88‡‡	[illegible]	[illegible]	8.41	11.05
[illegible]	[illegible]	Exch 10½pc '88	[illegible]	[illegible]	10.78	11.56
[illegible]	[illegible]	Treas 9¾pc Cv '88	[illegible]	[illegible]	10.26	11.64
[illegible]	77	Transport 3pc '78-88	83	[illegible]	3.61	9.16
[illegible]	[illegible]	Treas. 9½pc '88	[illegible]	[illegible]	10.13	11.71

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Cont.

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

LONDON SHARE SERVICE

BEERS, WINES—Cont.

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Finance

[illegible]

Australians

1984-85 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]							
23	7	♥Swan Res 20c	9½	+1	—	—	—
43	22½	♥Utd Goldfields NL	39	+2	—	—	—
16½	6½	♥West Coast 25c	11	+1	—	—	—
14	8	♥Western Cml 50c	13		—	—	—
286	180	Westn. Mining 50c	230	+2	Q4c	—	1.0
272	122	♥Whim Creek 20c	162	+2	Q5c	♦	1.9
26	10	♥Windsor Res NL	17½		—	—	—
36	6	♥York Resources	7		—	—	—

Tins

1984-85 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
310	210	Ayer Hitam SM1	265	+5	♦Q140c	1.0	18.4
250	138	Geevor	223	−5	12.0	2.2	7.7
275	130	Gopeng Berhad M$0.50	140	+10	g$0.16	♦	4.0
£10	575	Hongkong	650#	...	—	—	—
27	11	Jantar 12½p	25	.....	2.5	♦	15.9
76	47	Malaysia Mng. 10c	47	...	vQ6c	2.6	4.4
56	26	♥Pahang	26	..	B—	—	—
950	500	Pengkalen 10p	550	....	—	—	—
350	235	Petaling SM1	235	...	vQ60c	♦	8.9
385	250	Sungei Besi SM1	250	..	‡vQ75c	0.9	‡
475	200	Tanjong 15p	200	...	g3.5	—	2.5
250	145	♥Tongkah H. Tin SM1	230	..	vQ23c	1.2	3.6
410	245	Tronoh SM1	265	..	‡vQ65c	1.4	‡

Miscellaneous

1984-85 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
75	37	Anglo-Dominion	43	...	—	—	—
75	31	♥Anglo Utd. Dev.	37	.....	—	—	—
410	155	♥Centennial Min'ls.	195	..	—	—	—
175	70	♥Colby Res Corp.	105	−15	—	—	—
955	450	Cons. Murch. 10c	450	....	♦Q100c	1.4	10.8
40	25	♥Emex Int. Ir10p	35	+1	—	—	—
177	73	♥Greenwich Res. Inc.	85	−10	—	—	—
252	150	Hampton Areas 10p	203	+1	3.75	2.1	2.5
260	140	♥Highwood Res.	195	−5	—	—	—
£24½	£16	Homestake Mining $1	£21⅝	+¼	Q20c	—	0.8
310	135	♥McFinley Red Lake	240	−3	—	—	—
300	101	♥Musto Explorations	280	....	—	—	—
55	23	♥New Sabina Res C$1	43	−3	—	—	—
375	220	Northgate C$1	375	....	—	—	—
718	500	RTZ	645	+5	♦18.0	2.7	4.0
£155½	£113½	Do. 9½pcLn '95-2000	£139½	..	Q9½%	35.4	f6.9
£13⅝	850	♥Tara Exptn $1	£13¼	+⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable, bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- ✱ Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim, reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- H No par value.

B.Fr. Belgian Francs. Fr French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations. xd ex dividend; xc ex scrip issue, xr ex rights; xa ex all, xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	102	..	Arnott	175	.
Craig & Rose £1	£18		CPI Hldgs.	58	..
Finlay Pkg. 5p	60	−1	Carrol Inds.	110	.
Higsons Brew.	122		Dublin Gas.	52	
Holt (Jos) 25p	780	.	Hall (R. & H.)	47½	.
IoM Stm. £1	105	−2	Heiton Hldgs.	16½	
IRISH			Irish Ropes	41	
Exch. 12% 1985	£99¼	.	Jacob (W & R.)	65	.
Nat. 9¾% 84/89	£87⅛	+⅛	TMG	115	.
Fin. 13% 97/02	£96⅝	+1⅛	Unidare	84	.

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	16	GKN	17	Turner Newall	20
BAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp.	25	Hawker Sidd	38	Vickers	19
BSR	16	Hse of Fraser	30	**Property**	
BTR	52	ICI	60	Brit Land	12
Babcock	14	"Imps"	18	Cap Counties	18
Barclays	48	Jaguar	28	Land Secs	25
Beecham	32	Ladbroke	24	MEPC	28
Blue Circle	45	Legal & Gen.	50	Peachey	22
Boots	15	Lex Service	28	Samuel Props.	14
Bowaters	20	Lloyds Bank	45	**Oils**	
Brit Aerospace	33	Lucas Inds.	25	Brit. Oil & Min.	4
Brit. Telecom	11	Marks & Spcr	11	Brit Petroleum	42
Brown (J.)	3	Midland Bk	30	Burmah Oil	18
Burton Ord	39	NEI	8	Charterhall	6
Cadburys	14	Nat West Bk	60	Premier	5
Comm Union	19	P & O Dfd	36	Shell	60
Courtaulds	12½	Plessey	17	Tricentrol	18
Debenhams	17½	Polly Peck	26	Ultramar	19
Distillers	28	Racal Elect.	18	**Mines**	
Dunlop	6	RHM	11	Charter Cons	18
FNFC	8½	Rank Org Ord	32	Cons Gold	44
Gen Accident	45	Reed Inml	50	Lonrho	14
Gen Electric	17	Sears	8	Rio T Zinc	56
Glaxo	85	TI	20		
Grand Met.	25	Tesco	20		
GUS 'A'	60	Thorn EMI	35		
Guardian	60	Trust Houses	13		

A selection of Options traded is given on the London Stock Exchange Report page.

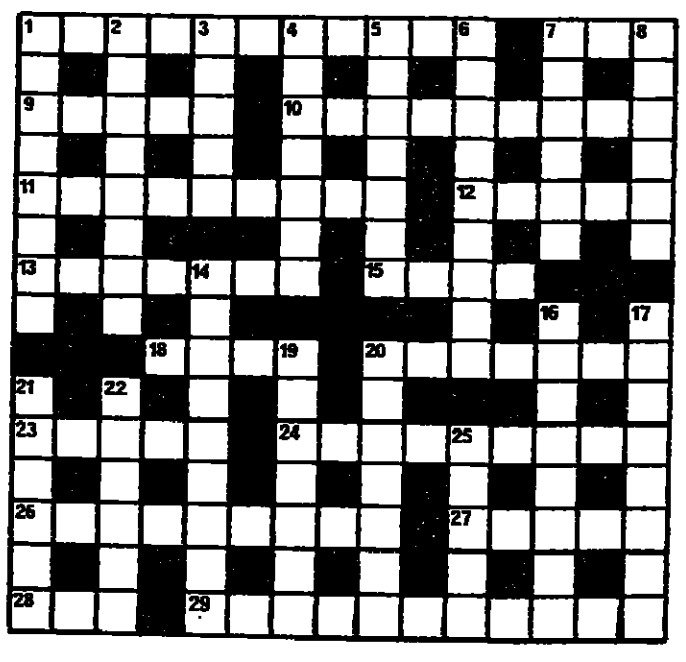
"Recent Issues" and "Rights" Page 43

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,690



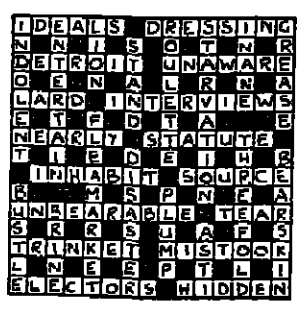
ACROSS

1 Inconsiderate person who won't step into line (5,6)
7 A pound put on for service (3)
9 A desire to write a letter (5)
10 Horse-drawn vehicle industry (9)
11 Cite other changes that are purely speculative (9)
12 A lad's out—bowled perhaps (5)
13 Smoking jackets? (7)
15 Sweet and sour (4)
18 After a job? (4)
20 Shorten a game of cards (7)
23 Vote against a proposal for a merry time? (5)
24 Skeleton service? (4,5)
26 Directors are harassed by those requiring payment (9)
27 Gives out incorrect times (5)
28 Determined to go down (3)
29 Tender names, perhaps (11)

DOWN

1 Where to stay for long periods of the year (8)
2 Tips which are never mean (8)
3 Three might be such a number (5)
4 Brings into line higher-priced fruit (2-5)
5 Stinker of a place to renovate (7)
6 He holds records of matches (9)
7 Ronald could be public school head (6)
8 Increases the strain (6)
14 Frugal injunction (9)
16 Without it there would be total ignorance (8)
17 Goes from bad to worse? (8)
19 A newspaper gives it a bold presentation (7)
20 Inability to recall a name is maddening (7)
21 Hand-operated computer (6)
22 Obvious protection for inventive types (6)
25 Pack a quarter in of the very best (5)

Solution to Puzzle No. 5,689



INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management◊
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.	$11.89		+0.02	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com. Fund	12.8	13.4		0.00
Chinese Fund	58.2	60.6		0.00
Precious Metal Fund	67.3	70.1		0.00
Vanguard Cmdy. Fd.	19.3	19.8		0.00
Financial Futures Fd.	32.1	33.5		—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Grwth Fd.		$8.52	+0.06	—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	12.95	9.68	14.25	6 mth
7-day Fnd	13.34	9.97	14.69	6 mth
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	13.18	9.85	14.36	6-Mth
7-day Fund	13.13	9.81	14.50	6-Mth
Dollar	7.90	—	—	6-Mth
Money Mngt. Acc.	13.00	9.72	14.63	6-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Aitken Hume				
30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	13.50	10.09	14.91	Qtr
Mth. Inc. Chq.	13.25	9.90	14.80	Mth
Bank of Scotland				
38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc.	12.60	9.41	14.02	Mth
Barclays Prime Account				
PO Box 125, Northampton 0604 252891				
High Int. Cheque	13.00	9.50	14.28	Qtr
Britannia Grp of Investment Companies				
29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	12.75	9.53	13.61	Mth
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	13.00	9.72	13.80	Mth
U.S. Dollar	8.00	5.98	8.30	Mth
German Marks	5.0	3.74	5.13	Mth
Swiss francs	3.00	1.50	2.02	Mth
Japanese Yen	5.00	3.74	5.12	Mth
Co-operative Bank				
78-80 Cornhill EC3 01-626 6543 Ex 464				
Under £1,000	11.0	8.22	12.11	Qtr
Over £1,000	13.00	9.72	14.40	Qtr
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc.	13.50	10.09	15.23	Qtr
Henderson/Bank of Scotland				
38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc	12.60	9.41	14.02	Mth
Lombard North Central PLC				
17 Bruton St, W1A 3DH. 01-409 3434				
14-Day Notice	13.125	9.81	14.01	—
M & G/Kleinwort Benson				
91-99 New London Rd, Chelmsford. 0245 51651				
H.I.C.A.	13.00	9.72	14.85	Daily
Midland Bank plc				
PO Box 2, Sheffield. 0742 20999 Ext 8738				
High Int Chq	13.04	9.75	14.67	Qtr
Provincial Trust (formerly Cheshartons)				
30 Ashley Rd, Altrincham, Cheshire, WA1 2DW 061-928 9011				
Cheque Acc	13.50	10.09	15.41	Mth
Save & Prosper/Robert Fleming				
28 Western Rd, Romford RM1 3LB. 0708 66966				
High. Int. Bk. Acc.	12.40	9.27	14.10	Daily
Premier Acc.	12.40	9.27	14.10	Daily
Tyndall & Co				
29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	12.84	9.60	14.43	Qtr
Money Acc.	12.87	9.62	14.47	Qtr
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth 0705 827733				
Special Acc	12.85	9.61	14.63	Mth
Over £10,000	13.10	9.79	14.93	Mth

Notes: CAR = compounded annual rate. Int Cr = frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ◊ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Golden handshakes all round for dairymen

By Richard Mooney

GOVERNMENT compensation for dairy farmers who leave the industry because of the EEC quotas imposed in April 1984 has been thrown open to all producers, regardless of size, in an effort to release more quota for redistribution within the industry.

When it was introduced a year ago the £50m scheme was limited to farmers producing less than 200,000 litres of milk a year. The limit has since been gradually increased to 725,000 litres a year because of the disappointing response from farmers.

In his latest statement on the progress of the scheme, Mr Michael Jopling, the Agriculture Minister, said producers with more than 725,000 litres of quota who had expressed interest in the scheme were being invited to join. He made no mention of any upper limit.

Mr Jopling has given 289m litres as the target for redistribution, but after its first year the scheme has only released 224m litres. If the 94 producers, each with more than 725,000 litres of quota, who are now being invited, decide to join the scheme the total released will be close to the target. So far 1,451 producers have accepted the Government's golden handshake.

Producers joining the scheme receive 13p per litre of quota given up and must cease milk sales within three weeks of returning their claim forms, though extra time may be allowed if there are special difficulties.

Their abandoned quotas will be redistributed among producers with less than 200,000 litres of quota so as to offset the 9 per cent output cut ordered by the EEC for the year to March 31 and the further 1 per cent cut taking effect from April 1.

Extra quota will be granted on a sliding scale in roughly inverse proportion to the size of operation. No producer's quota will be raised above 200,000 litres.

High costs force sharp drop in U.S. oil stocks

BY NANCY DUNNE IN WASHINGTON

U.S. STOCKS of crude oil, distillate oil and petrol declined last week, leaving stock levels considerably below those of this time last year, the American Petroleum Institute (API) said.

Mr Jim Tsikerdanos, API statistical services manager, said: "The strategy is to run lean and live on less inventory."

He said high interest rates had made storage of large fuel stocks too expensive, and, as a result, U.S. stocks were running behind last year—as last year's ran behind 1983.

Stocks of crude oil last week fell 7m barrels from the previous week to 330.6m barrels. It was a drop of 9.3m barrels from the same week in 1984.

Petrol stocks declined only 1.4m barrels last week to 219.6m barrels, but they are almost 25m barrels below last year. Distillate oil stocks were down 1.2m barrels to 99m, as the end of the heating season approaches. They are down more than 8m barrels from 1983.

Only residual fuel oil stocks rose last week—by 571m barrels. Those stocks are 1.8m below 1984.

Crude oil imports were up last week to 3.2m barrels and product imports were down to 1.3m barrels. The mix in produc imports has changed radically, said Mr Tsikerdanos.

U.S. imports of petrol were up about 18 per cent last year, and imports of distillate rose 56 per cent. Meanwhile, residual imports were down 3 per cent, as the move to lighter oil products accelerates.

Our Commodities Staff writes: There was little reaction to the latest API figures on the International Petroleum Exchange gas oil futures market

In quiet trading conditions, dealers were more concerned with the widening discount between London gas oil and New York heating oil prices.

Cool response to news of fall in aluminium stocks

BY JOHN EDWARDS, COMMODITIES EDITOR

NEWS OF A decline in world stocks of aluminium in February brought a cool response on the London Metal Exchange yesterday, with the three months aluminium price dropping £21.5 to £931.25 a tonne.

Traders said the decline in stocks was closely in line with market expectations and was, therefore, viewed as disappointing by some speculators who had hoped for a bigger fall. Selling orders were triggered, and prices came under further pressure as the value of sterling moved up in the afternoon.

Figures issued by the International Primary Aluminium Institute showed that total stocks of all forms of aluminium, including scrap supplies, in the non-communist world declined to 4.377m tonnes at the end of February, 46,000 tonnes below the total at the end of January but still well above the February 1984 total of 3.801m tonnes.

A fall in primary stocks of some 50,000 tonnes in February was offset to some extent by a rise of 4,000 tonnes in secondary (scrap) holdings. This suggests that the heavy production cutbacks, especially in North America, last year are at last beginning to bite

Other base metal markets in London yesterday were generally easier in line with the strength in sterling. However the gap between the cash and three months prices of higher grade copper narrowed again

Big rise in price of English farm land

By Our Commodities Staff

FARM LAND prices in England *have risen sharply* in recent months, according to figures from the Ministry of Agriculture yesterday.

The average price for vacant possession land changing hands between December and February was £4,497 a hectare, up from £4,393 in November to January. The weighted average price, which allows for area and size group variations in the sample, was £4,603 a hectare, up from £4,280.

The weighted price had previously fallen by more than £700 a hectare reflecting the imposition of EEC milk quotas last April and fears that similar action might be taken to discourage excess cereals production.

● **EXPORT** licences covering 56,250 tonnes of white sugar were granted at the weekly EEC tender in Brussels yesterday marking a return to normality following the previous week's exceptionally low authorisation of 2,000 tonnes. The maximum export subsidy was set at 44.503 European currency units per 100 kilos, which London traders described as "mildly constructive."

● **PLANTING** of Britain's 1985 sugar crop is well under way after a slow start, with 45 per cent of an 8m tonne beet target sown by last weekend, Mr Don Brisbourne, head of agriculture services at British Sugar, said.

● **WORLD COTTON** production for 1984-85 will reach an all-time high of 84.6m bales, up 3m bales from the January forecast and some 17m bales above the 1983-84 harvest, according to the International Cotton Advisory Committee (ICAC).

ICAC said the biggest increases were in China and Pakistan.

● **TWO HOODED** men ambushed a milk tanker in West Wales yesterday and poured its load of more than 5,000 litres into a ditch.

Police believe the incident—the second in recent months—was linked with the militant campaign by dairy farmers against EEC milk quotas.

Signs of armistice in the lamb war

John Cherrington on hopes of ending clashes over sheepmeat

JUST BEFORE he resigned recently as French Minister of Agriculture, M Michel Rocard told the Council of Agricultural Ministers they should consider altering the Community's sheep meat regime to give French farmers the same support as British ones. So far the British *Government* has not made its position clear on this, but the National Farmers Union has welcomed the move, marking a decided improvement in Community relations.

After years of guerrilla warfare against shipments of British lamb by French farmers and a flood of abuse from the British side, it now appears that there has been an armistice if not a peace treaty.

Last autumn a delegation of British sheep farmers led by Mr Joe Raine, chairman of the NFU livestock and wool committee, met French sheep farming interests and found a good deal of common ground.

So much so that the French have been pressing their government to bring their system into the EEC sheep meat regime on the same basis as Britain. Until now the British have had a deficiency payment on lamb sales which brings the return from the market up to the guide price set under sheep meat regime.

Because French lamb has always been priced as a luxury product, well above the British level, producers support was implemented through a headage payment on breeding ewes. The French market was further protected by a levy or "claw-back" on exports of UK lamb to France. This meant that the UK deficiency payment which, at some periods of the year amounted to 40 per cent of the guide price, had to be repaid if the lamb was exported.

This recent French move has been sparked off by the fact that lamb is losing its luxury status in France and that while prices *have remained* above UK levels they have not risen with inflation. Farmers also feel that the new headage payment has not compensated for their worsening cost price squeeze.

They are also well aware that 95 per cent of the £300m spent by the EEC on the sheep meat regime goes to British farmers and they would like to get their hands on some of it. They also believe that some of the weakness in the lamb trade has been due to continuing imports of New Zealand lamb to Britain and other EEC countries.

That British farmers are supporting this move is at first sight surprising. Any extension of premiums to France could well erode the amounts British farmers receive.

But they are taking a broad view. In the first place, along with the French, they want New Zealand supplies cut to match Britain's expanding lamb output. They also believe that the deficiency payment system is vulnerable because no *other member* state receives it. It would be more acceptable to the Commission if French farmers, the other major producers, also enjoyed it.

They also believe that by supporting the French in this they will be supported in turn in their efforts to keep the beef premium scheme—another measure unique to Britain. They would also expect the change to mean that the claw-back on exports would no longer be needed, paving the way for an expansion of exports to France.

A decision in this year's price review is unlikely. But changes are probable within a year or so. Whether they will be to the liking of the British in the end is questionable.

Poor grape harvests will mean higher sultana and raisin prices

Not so rich pickings for dried fruit suppliers

BY OUR SPECIAL CORRESPONDENT

THERE IS considerable irony in the decision of Britain's five leading dried fruit suppliers to stage their first major promotion this year.

For their attempt to boost sales coincides with poor *crops* in several countries, resulting in a shortage of grapes.

Nevertheless, the supplier countries—Australia, Greece, Iran, South Africa and Turkey—are going ahead with the promotion in a bid to sustain higher prices to make up for losses they face through lower volume of sales.

The sultana harvests in Greece and Turkey were more than 20 per cent down on their usual 90,000 to 100,000 tonnes, while Australia's crop of about 66,000 tonnes compares with 80,000 tonnes last season.

Australia responded by announcing just before Easter, a little later than intended, rates for fruit that will start arriving here in late May or early June.

The last Australian prices were about £740 a tonne, just above the EEC's minimum import price (MIP), a supposedly temporary measure applied in 1982 to help the Community's newest member, Greece, unload a surplus of sultanas, but now accepted as permanent. The penalty for selling fruit from outside the EEC at less than the MIP is $150 a tonne.

This season, with stocks used up, crops lighter in the main producing countries and Australia harvesting sultanas of a quality claimed to be near enough to perfect, the Easter prices have been lifted to about £820 a tonne, leaving the MIP well behind at £690.

Greece and Turkey are reported to have cleared all their stocks, but this does not necessarily mean that the fruit has gone into consumption. With scarcity all round, speculation may have played a part in the disposal, supplies being held in expectation of a profit as the market hardens.

Such is the shortage that Australia is talking about having to allocate fruit to ensure as far as possible that its regular customers do not go without.

Although the situation gives exporters a chance to compensate financially for the smaller volume, there will be some anxiety as to whether the short-term benefit might later lead to consumer resistance to buying dried fruit.

In Britain, after years of slow decline the dried fruit market began to grow in 1980, thanks partly to changes in the diet of people concerned about health. There is also an awareness that dried fruit, each kilo of which represents an original 5 kilos of grapes, is one of the cheapest forms of nourishment. Britain last year consumed 74,000 tonnes, worth £55m, compared with about 60,000 tonnes four years earlier.

There was a feeling, however, that the recovery is still too tentative to be taken for granted. Hence the decision that promotion was needed to enable prices to be raised without doing too much harm to demand.

The five suppliers are collaborating to offer shoppers the chance to win £6,000 in prizes in a recipe competition.

If successful, consumer contests sponsored, like this one, by the International Sultana/Raisin Liaison Committee in South-east England could become regular and national.

LONDON MARKETS

POTATO futures prices ended a few pounds up in London yesterday after the Potato Marketing Board announced a 17,000 tonnes cut in its end-February stocks estimate to 2,384,000 tonnes. Rumours of a much bigger reduction in the estimate had earlier pushed prices higher.

Cocoa prices eased back under the influence of currency factors. Dealers said the fall also reflected a technical correction to Tuesday's exaggerated support for the near May position because of fears of a supply squeeze.

Sterling's gain against the dollar also pushed coffee prices lower early on but the decline was partly recovered in the afternoon.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

METALS	Apr. 10 1985	+ or —	Month ago
Aluminium	£1100	......	£1100
Free Mkt	$1150/60	+5	$1125/145
Copper			
Cash h Grade	£1223.5	—3.0	£1262.5
3 mths	£1232.25	—8.25	£1279.25
Gold troy oz	$328.25	+5.25	$288
Lead Cash	£334	—14.5	£318.5
3 mths	£323.25	—12.0	£326.75
Nickel			
Free Mkt	245/275c	+5	231/251c
Palladium oz	$114.60	+0.60	$111.00
Platinum oz	$268.75	+7.50	$245.75
Quicksilver†	$286/291		$290/300
Silver troy oz	548.80p	—1.25	508.60p
3 mths	565.60p	—1.85	525.00p
Tin cash	£9837.5	—5.0	£10,145
3 mths	£9847.5	+6.5	£10,140
Tungsten	$77.70	......	$76/65
Wolfram 22.04lb	$74/78	—0.5	$75/78
Zinc	£729.25	—14.75	£818
3 mths	£733.75	—10.75	£798.25
Producers	$960	......	$900/940

	Apr. 10 1985	+ or —	Month ago
OILS			
Coconut (Phil)	$640v	—20	$925
Palm Malayan	$650y	+15	$600
SEEDS			
Copra Phil	$505w	......	$546
Soyabean (U.S.)	252.2x	—1.3	$246
GRAINS			
Barley Fut. Sep	£98.90	+0.15	£116.85
Maize	£151.5v	—	£148.00
Wheat Fut. July	£124.95	+0.25	£118.80
No. 2 Hard Wint.	‡	—	‡
OTHERS			
Cocoa Ft. July	£1954.5	+3.0	£2084.5
Coffee Ft. July	£2209	—5.5	£2429
Cotton A Index	68.00c	+1.25	66.90c
Gas Oil May	$227.75y	+0.25	$224.25
Rubber (kilo)	67p	—	70p
Sugar (raw)	106w		$109
Wooltops 64s	482pkilo	......	522pkilo

‡ Unquoted w April-May. x April. y May. v March-April. † Per 76-lb flask. c Cents a pound.

INDICES

FINANCIAL TIMES

April 9	April 4	M'th ago	Year ago
303.74	299.48	298.70	307.27

(Base: July 1 1952 = 100)

REUTERS

Apr. 10	Apr. 9	M'th ago	Year ago
1930.3	1936.0	2041.1	2004.4

(Base: September 18 1931 = 100)

MOODY'S

Apr. 3	Apr. 2	M'th ago	Year ago
956.9	956.2	954.9	1,082.6

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Apr. 3	Apr. 2	Month ago	Year ago
Spot	119.37	119.61	117.21	143.06
Fut.	123.15	124.06	120.12	145.61

(Base: December 31 1974 = 100)

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1226-.5	+1.75	1223-4	—5
3 months	1234.5-5	—1.75	1238-.5	—8.25
Settlem't	1226.5	+8.5	—	—
Cathodes				
Cash	1223.6	+7	1218-9	—8.5
3 months	1235.6	+5.5	1232-4	—8
Settlem't	1226	+7	—	—

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1,226, 25.5, 26.5, three months £1,233, 35, 34.5. Kerb: Higher Grade: Three months £1,235, 34.5. Afternoon: Higher Grade Three months £1,230, 30.5, 31, 35, 34, 31, 32, 32.5, 32, 33, 32.5, 32. Cathodes Cash £1,219. Kerb: Higher Grade: Three months £1,231, 30.5, 31, 32, 32.5, 33, 34, 34.5, 35. Turnover: 21,650 tonnes. U.S. Producers: 70-71 cents a pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£		£	£
Cash	9915-7	+1	9835-40	—5
3 months	9840-2	+1	9845-50	—13.5
Settlem't	9817	—3	—	
Standard				
Cash	9815-7	+5	9835-40	—5
3 months	9825-6	+12	9845-50	+6.5
Settlem't	9817	+5	—	
Straits E.	$29.35		—	

Tin — Morning: Standard: Three months £9,845, 25. High Grade: Cash £9,915, three months £9,840, 45, 40. Kerb: Standard: Three months £9,820, 25. Afternoon: Standard: Three months £9,815, 25, 30, 25, 30, 45, 50. High Grade: Cash £9,835, three months £9,855. Kerb: Standard: Three months £9,840, 35, 30. Turnover: 1,270 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	341.5-2	—.5	333-5	—14.5
3 months	327-.5	—5.87	323-.5	—12
Settlem't	342	—.5		

Lead — Morning: Cash £343, 42, 41, three months £329, 28, 27. Kerb: Three months £327, 26. Afternoon: Three months £325, 25.5, 25, 24. Kerb: Three months £324, 23. Turnover: 10,200 tonnes. U.S. Spot: 20-22 cents a pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	732-4	—10	729-.5	—14.7
3 months	734-6	—8	733.5-4	—10.7
Settlem't	734	—10	—	—

Zinc—High Grade Official/Unofficial prices. Cash am £764-£768, pm £760-£765. Three months am £764-768, pm £765-£770. Settlement £764. Morning: Three months £736. Kerb: Three months £735, 36, 37. Afternoon: Cash £729.5, three months £735, 34. Kerb: Three months £734, 35, 36, 37, 38, 36, 35, 34, 32, 31, 30. Turnover: 13,050 tonnes. U.S. Prime Western: 45.50-45.75 cents a pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	909-10	—11	903-4	—20.5
3 months	937.5-8	—11	931-.5	—21.5

Aluminium—Morning: Three months £938, 37, 36.5, 37, 38, 39, 38, 36, 37, 37.5. Kerb: Three months £937, 36.5. *Afternoon*: Three months £930, 31, 30, 30.5, 31, 32, 31.5. Kerb: Three months £933, 33.5, 34. Turnover: 18,025 tonnes.

GOLD

Gold rose $5¾ to $328-328½ on the London bullion market, closing at the highest level of the day. Rumours that another U.S. financial institution was in trouble created late demand for the metal. Trading was fairly quiet, however, with gold opening little changed at $323-323½. It was fixed at $323.30 in the morning and $327.25 in the afternoon. The lowest point touched was $322¼-322¾.

GOLD BULLION (fine ounce) Apr. 10

Close	$328-328½	(£268¼-268¾)
Opening	$323-323½	(£266¾-267¼)
M'n'g fix.	$323.30	(£267.432)
Aft'n'n fix.	$327.25	(£267.908)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$336-336½	(£276-276½)
½ Krug.	$173½-174	(£142½-143)
¼ Krug.	$88½-89	(£72¾-73¼)
1/10 Krug.	$36¼-36¾	(£29¾-30¼)
Mapleleaf	$336-336½	(£276-276½)
New Sov.	$77-77½	(£63¼-63¾)
½ New Sov	$47-47½	(£38½-39)
Old Sov.	$77-77½	(£63-64½)
$20 Eagle	$450-490	(£369¼-402¾)
Noble Plat	$296½-300½	(£243-246¼)

SILVER

Silver was fixed 1.25p an ounce lower for spot delivery in the London bullion market yesterday at 548.8p. U.S. cent equivalents of the fixing levels were spot 663.5c, up 0.7c, three month 677.5c, up 0.7c—six-month 677.5c, up 0.7c, and 12-month 727.7c, down 0.2c. The metal opened at 543-546p (658-661c) and closed at 549½-552½p (672-675c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	548.80p	—1.25	545.5p	—7.0
3 months	565.60p	—1.85	564.5p	—6.0
6 months	581.90p	—1.85	—	
12months	611.75p	—2.00	—	

LME—Turnover: 38 (43) lots of 10,000 oz.

Morning: large first ring cash untraded, three months 564: small untraded. Second ring untraded. Kerb: untraded. Afternoon: First cash untraded, three months large 565, 64; small untraded. Second ring untraded. Kerb: large three months 565, small untraded.

NICKEL

NICKEL	£ a.m. Official	£ + or —	£ p.m. Unofficial	£ + or —†
Spot	4485-95	—37.5	4450-70	—37.5
3 months	4448-50	—59	4420-30	—39.5

Nickel—Morning: Cash £4,500, 4,490, three months £4,450, 40, 35, 45, 50, 48. Kerb: Cash £4,500, 10, three months £4,450, 60, 70. Afternoon: Three months £4,435, 25, 24, 20. Kerb: Three months £4,420. Turnover: 1,644 tonnes.

COCOA

Futures drifted rather aimlessly within a narrow trading range and ended an uninspiring day almost unchanged to the previous close. With producers withdrawn and consumers looking to be scale down buyers the physical side of cocoa was equally unimpressive in performance, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1962-1964	—10.5	1975-1956
July	1954-1955	+3.0	1956-1940
Sept.	1928-1930	+0.5	1936-1921
Dec.	1866-1868	—3.0	1875-1865
Mar.	1863-1867	—1.0	1870-1860
May	1865-1868	—0.5	1872-1865
July	1850-1885	—2.5	1866-1860

Sales: 2,457 (1,496) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for April 9: 103.37 (101.55); five-day average for April 10: 102.58 (103.90).

COFFEE

During a quiet session prices traded lower in light volume, reports Drexel, Burnham, Lambert. Steadier sterling prompted a gradual retracement from the morning's highs but continued support around £22 basis July prevented further losses.

COFFEE	Yesterd'ys Close	+ or —	Business Done
May	2166-69	—4.0	2175-58
July	2208-10	—6.5	2216-01
Sept.	2243-44	—12.0	2255-37
Nov.	2260-66	—14.5	2279-57
Jan	2263-67	—12.0	2280-61
March	2245-55	—5.0	2250
May	2200-70	+2.5	—

Sales: 1907 (1034) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for April 9: Comp daily 1979 132.48 (132.74); 15-day average 133.42 (133.41).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 237 tonnes. Moderate trading developed with American growths in request. Users also wanted East and West African varieties.

GRAINS

Old crop markets improved a little, remaining in a narrow range in quiet trading. New crops were also a little steadier with wheat rallying strongly late in the day on good physical trade, reports Muirpace.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterdys close	+ or —
May	120.95	+0.15	116.30	+0.10
July	124.95	+0.25	—	—
Sept	99.75	+0.75	98.90	+0.15
Nov	102.85	+0.85	102.55	+0.25
Jan	106.45	+0.75	106.95	+0.25

Business done—Wheat: March 109.75-9.10, May 121.00-20.90, July 124.95-4.70, Sept 99.75-9.05, Nov 102.85-2.20, Jan 105.90 only. Sales: 215 lots of 100 tonnes. Barley: March 109.10-8.85, May 116.30-6.20, Sept 98.85 only, Nov 102.40 only, Jan 105.80 only. Sales: 40 lots of 100 tonnes.

HGCA — Locational ex-farm spot *prices*. Feed wheat: E. Midlands 119.20, N. East 120.00, Scotland 118.80. Feed Barley: E. Midlands 115.80, N. East 114.60, Scotland 113.00. The UK monetary coefficient for the week beginning Monday, April 15, will change to 1.000.

PIGMEAT

Prices opened unchanged and moved within a very narrow range caused by a quiet physical market, reports CCST Commodities. The average all pigs price, week-ending April 6, was 102.19p per kg deadweight, reports the Meat and Livestock Commission.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
June	105.60	105.80	105.70-105.50
Aug.	101.80	101.70	101.70-101.60
Oct.	108.00	107.70	107.70-107.70
Nov.	109.10	108.80	109.10-108.80
Feb.	99.50	99.50	
April	100.00	98.50	101.00-101.0

Sales: 49 (42) lots of 50 carcases, 3,250 kg.

POTATOES

Rumours that the PMB was about to adjust its end-February stocks figure led to short covering in early trading, reports Coley and Harper. In the event the adjustment proved merely a reduction of 17,000 tonnes (to 2.384m) and the market lost ground. New crop prices continued strong, due to forecasts of wet weather ahead

Sales: 768 (990) lots of 40 tonnes.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
April	44.80	42.00	48.00-45.0
May	53.00	49.00	54.00-49.5
Nov.	75.70	75.00	76.50-74.5
Feb.	84.50	83.50	—
Apr	105.60	103.50	109.-102.7

TAI Sales: 990 (369) lots of 40 tonnes.

OIL

The 20c overnight rise in Brent caused by bullish API statistics was partially eroded in thin trading. The petroleum market was lacklustre. Gasoil was slightly firmer in Northwest Europe as some prompt demand for wet oil chased limited supply. Heavy fuel remained quiet but with limited interest for straight run material in both centres. Petroleum Argus London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—April		
Arab Light	*27.85-27.75	—
Arab Heavy	*26.40-26.45	—
Dubai	*26.90-26.95	—
Brent Blend	*28.15-28.25	+0.20
W.T.I. (1pm est)	*28.15-28.30	+0.15
Forcados (Nigeria)	28.15-28.25	+0.10
Urals (cif NWE)	27.60-27.75	—0.35
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	285-286	+1.5
Gas Oil	233-235	+1.0
Heavy fuel oil	162-165	—

* May

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close	+ or —	Business Done
	$ U.S. per tonne		
April	230.00-30.25	—	231.00-30.00
May	227.75-28.00	+0.25	228.25-27.50
June	225.25-25.50	+0.25	225.50-24.50
July	224.75-25.00	—	225.75-24.25
Aug	225.25-25.50	+1.125	227.00-26.50
Sep	225.00-55.00	+1.25	227.50
Oct	226.00-57.00	+2.00	—

Turnover: 903 (964) lots of 100 tonnes.

SOYABEAN MEAL

	Yesterday close	+ or —	Business Done
	£ per tonne		
April	130.8-139.0	+2.00	125.0
June	127.1-127.4	—1.15	127.5-128.5
August	126.5-127.5	—1.00	127.5-128.5
October	130.0-130.5	—1.45	130.0
Dec	135.0-137.0	—1.50	—
Feb	140.0-142.0	—1.00	—
Apr	143.0-146.0	—2.05	—

Sales: 365 (285) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $106.00 (£88.00), unchanged, a tonne for April/May delivery. White sugar $129.50, down $1.00.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
May	110.2-110.6	110.8-111.2	110.8-108.8
Aug	115.2-115.6	115.2-115.8	115.4-112.8
Oct	119.0-119.8	118.8-119.2	119.0-118.6
Dec	126.0-126.8	125.2-126.9	125.0-124.8
Mar	137.0	138.0-138.2	137.8-134.8
May	147.8-142.0	141.0-143.2	138.8
Aug	144.0-146.4	148.0-149.2	—

Sales: 2,380 (601) lots of 50 tonnes.

Tate & Lyle delivery price for granulated basis sugar was £194.00 (same) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for April 9: Daily price 3.61 (3.61); 15-day average 3.74 (3.75).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 627.0, 632.0, 632.0-630.0; July 639.5, 642.0, 641.0-634.0; Oct 612.0, 616.0, 610.0-607.0; Dec 621.0, 623.0, 620.0-617.0; March 625.0, 630.0, 625.0-623.0; May 630.0, 633.0, 627.0-627.0; July 635.0, 638.0, untraded; Oct 678.0, 632.0, untraded. Sales: 82.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 510, 511, 511; Aug 529, 532, untraded; Oct 533, 536, 535; Dec 535, 536, 536; Jan 535, 537, 538-536; March 546, 547, u/t; May 551, 553, u/t; Aug 565, 566, 567; Oct 565, 569, u/t. Sales: 15.

U.S. MARKETS

Heating oil traded in a narrow range on both sides of the previous close, reports Heinold Commodities. Support came primarily from inquiries in the spot or nearby positions as unseasonably cool weather continues. After rallying early grains and soyabeans settled back on commercial and local selling. Maize and wheat declined on indications of better country movement. Chicago wheat came under heavy pressure on speculative selling and soyabeans moved nominally lower going into the close. The precious metals came under modest selling pressure on renewed strength in the currencies. Copper held steady on the continued drawdown in exchange stocks. Sugar traded easier on the lack of physical in*terest. Cocoa remained steady* with low Bahia arrivals providing support.

These are Tuesday's prices. Yesterday's were not available for this edition

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
April	49.80	—	—	50.05
May	50.15	50.60	50.10	50.40
June	50.55	—	—	50.80
July	51.00	51.40	51.00	51.25
Sept	51.85	—	—	52.10
Dec	53.10	—	—	53.35
Jan	53.50	—	—	53.75
March	54.30	—	—	54.60
May	55.10	—	—	55.40
July	55.90	—	—	56.20

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
May	2376	2403	1370	2374
July	2176	2196	2160	2174
Sept	2152	2165	2140	2158
Dec	2096	2110	2086	2104
March	2096	2090	2090	2104
May	2098	—	—	2104
July	2088	—	—	2104

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
May	143.29	44.00	42.95	43.11
July	142.65	43.30	42.05	42.29
Sept	142.06	42.55	41.75	41.88
Dec	141.04	41.95	41.00	41.29
March	140.13	—	—	39.25
May	139.28	—	—	38.25
July	138.25	—	—	39.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
April	64.45	—	—	64.75
May	64.80	65.85	64.70	65.05
June	65.20	—	—	65.45
July	65.55	66.60	65.50	65.80
Sept	65.90	67.00	65.85	66.20
Dec	66.35	67.30	66.30	66.80
Jan	66.50	—	—	67.00
March	66.85	67.60	67.30	67.45
May	67.35	68.05	67.90	68.00
July	67.85	69.00	68.30	68.55
Sept	68.35	68.40	69.00	69.10
Dec	69.05	—	—	69.85
Jan	69.30	—	—	70.10

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	69.95	70.00	69.61	70.05
July	68.22	68.23	67.69	68.01
Oct	65.90	65.96	65.76	66.10
Dec	65.81	65.95	65.80	65.92
March	66.97	67.05	67.05	67.15
May	67.50	—	—	67.60
July	67.77	—	—	67.85

CRUDE OIL (LIGHT) 42,000 U.S. gallons; $/barrel

	Latest	High	Low	Prev
May	29.07	29.14	28.97	29.09
June	28.60	28.66	28.52	28.59
July	28.45	28.50	18.38	29.45
Aug	28.39	28.41	28.26	28.38
Sept	28.30	28.30	28.20	28.26
Oct	28.23	28.30	28.20	28.38
Nov	—	28.28	28.20	28.39
Dec	28.38	—	—	28.50
Jan	—	—	—	28.50
Feb	—	28.60	28.60	28.60

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
April	324.1	326.5	322.5	325.0
May	325.7	—	—	326.7
June	324.9	330.5	326.5	329.0
August	332.3	334.8	330.3	333.4
Oct	337.2	339.7	336.0	338.4
Dec	342.5	345.0	340.8	343.7
Feb	348.2	348.5	348.3	349.5
April	353.9	356.0	352.1	355.2
June	360.0	360.4	356.0	361.4

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
May	77.32	77.80	77.86	77.16
June	75.49	75.90	77.55	75.46
July	74.88	75.15	74.40	74.94
August	75.10	75.40	74.70	75.15
Sept	75.80	76.05	75.50	75.87
Oct	76.80	77.10	76.60	76.75
Dec	79.00	78.25	78.25	79.00
Jan	79.10	—	—	79.10

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
May	157.50	60.20	56.10	55.40
Sept	157.50	58.90	56.50	56.25
Nov	156.70	60.00	56.40	55.55
Jan	157.00	59.90	56.90	55.75
March	157.25	—	—	56.25
May	157.25	—	—	56.25
July	156.95	—	—	56.25

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
April	286.6	287.0	283.0	284.3
June	289.6	—	—	286.8
July	290.6	295.0	282.5	287.8
Oct	296.6	298.0	290.0	293.8
Jan	302.9	305.0	298.5	300.1
April	308.8	309.0	305.5	307.0

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
April	662.5	—	—	670.5
May	665.0	678.5	660.0	673.5
June	669.5	677.0	671.0	678.0
July	674.1	688.0	670.0	682.6
Sept	684.6	697.0	682.5	693.2
Dec	701.6	715.0	689.0	710.4
Jan	707.5	—	—	716.3
March	719.1	728.5	721.0	728.1
May	732.1	744.0	735.0	741.4
July	745.4	760.0	750.0	754.9
Sept	759.7	760.0	762.0	769.2
Dec	781.7	—	—	791.2
Jan	789.1	—	—	798.6

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	3.70	3.78	3.69	3.74
July	3.88	3.94	3.87	3.90
Sept	4.03	4.07	4.00	4.08
Oct	4.13	4.22	4.13	4.19
Jan	4.59	4.65	4.60	4.66
March	5.01	5.12	5.00	5.08
May	5.19	5.30	5.19	5.32
July	5.42	5.46	5.44	5.51

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
April	64.20	64.70	63.37	63.40
June	66.10	66.50	65.32	65.42
August	65.72	66.20	65.17	65.17
Oct	63.70	64.05	63.25	63.26
Dec	64.82	64.97	64.30	64.40
Feb	65.36	65.40	64.95	64.96
April	66.35	66.35	66.35	66.36

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
April	44.20	44.40	43.50	43.52
June	49.47	49.80	49.05	49.12
July	51.10	51.62	50.80	50.77
August	51.07	51.47	50.70	50.65
Oct	47.67	47.95	47.60	47.55
Dec	48.65	49.92	48.45	48.50
Feb	49.37	49.75	49.25	49.55
April	46.85	47.00	46.80	46.65
June	48.65	49.82	48.60	48.90

MAIZE 5,000 bu min, cents 56lb-bushel

	Close	High	Low	Prev
July	284.0	285.2	284.0	284.6
Sept	274.0	275.0	273.6	275.0
May	282.6	283.6	282.4	283.4
July	284.0	285.2	284.0	284.6
Sept	274.0	275.0	273.6	275.0
Dec	268.0	269.0	267.6	269.2
March	276.0	277.2	276.0	277.4
May	282.4	—	—	283.6
July	285.0	—	—	285.6

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
May	67.77	68.47	66.60	66.95
July	68.40	69.15	67.60	67.82
August	66.87	67.70	66.35	65.42
Feb	72.55	72.65	71.75	72.42
March	72.60	72.65	72.00	72.46
May	72.70	72.70	72.70	72.50
July	72.65	72.65	72.65	72.50

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	604.4	609.6	604.2	607.4
July	612.6	618.6	612.4	616.6
August	614.6	619.6	614.4	618.0
Sept	610.0	616.4	610.0	613.0
Nov	613.6	620.4	613.4	616.2
Jan	625.0	630.4	625.0	627.4
March	636.4	640.0	636.0	638.4
May	644.4	646.0	644.4	646.4
July	650.4	—	—	652.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	129.3	130.7	129.2	130.3
July	135.2	136.8	135.1	136.4
August	138.0	139.5	138.0	139.4
Sept	140.5	142.4	140.5	142.0
Oct	143.8	145.0	143.8	145.0
Dec	149.0	150.5	149.0	150.1
Jan	151.6	153.0	151.5	152.5
March	156.5	158.0	156.5	157.7
May	160.5	162.5	160.0	—

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
May	32.45	32.70	32.16	32.35
July	30.85	31.25	30.65	30.80
August	29.85	30.25	29.60	29.68
Sept	28.85	29.15	28.60	28.70
Oct	27.85	28.15	27.60	27.65
Dec	26.97	27.35	26.86	26.78
Jan	26.70	27.06	26.56	26.56
March	26.55	27.00	26.30	26.30
May	26.45	26.45	26.45	26.20

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	367.6	371.4	364.6	370.6
July	338.4	340.6	336.4	341.2
Sept	338.0	339.4	336.2	339.2
Dec	349.0	350.0	348.4	349.2
March	353.2	353.4	351.0	352.4
May	349.4	—	—	349.4

SPOT PRICES—New York tin 550.0-570.0 (545.0-570.0) cents per pound. Handy and Harman silver bullion 667.0 (657.0) cents per troy ounce.

OTHER MARKETS

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets: GB—Cattle 95.31p per kg lw (+0.60). GB—Sheep 253.94p per kg est dcw (+7.75). GB—Pigs 78.65p per kg lw (+1.44).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 74.0-81.0; English hindquarters 94.0-100.0; forequarters 48.0-53.0. Veal: Dutch hinds and ends 122.0-126.0. Lamb: English small 100.0-110.0, medium 100.0-108.0, heavy 101.5-106.5; Imported: New Zealand PL (new season) 66.0-69.0, PX (new season) 65.0-66.0. Pork: English under 100 lb 48.0-58.0, 100-120 lb 51.0-55.0, 120-160 lb 41.0-46.0

ROTTERDAM

WHEAT—(U.S. $ per tonne). U.S. No. 2 Soft Red Winter: May 168.50, July 148.50, Aug 149.50, Sept 151, sellers. U.S. No. 2 Northern Spring, 14 per cent protein: April 172, April/May 171.50, June 169.50, July 167.50, Aug 167.50, Sept 166, sellers. U.S. Northern Spring, 15 per cent protein: April/May 182.50, Sept 177, sellers. U.S. No. 3 Hard Amber Durum: April 183, April/May 182, June 180.50, July 180, Aug 179, Sept 173, Oct 176, Nov 179, sellers. Canadian No. 1 Western Amber Durum: April/May 189, May/June 188, Sept 186.75, sellers. MAIZE—(U.S. $ per tonne). U.S. No. 3 Yellow: Afloat 138, April 135.50, May 135.50, June 136, July/Sept 136, Oct/Dec 130, sellers. Argentine, Plate: Afloat 137, April 135, May 133.50, June 133.50, sellers.

SOYABEANS—(U.S. $ per tonne). *U.S.* No. 2 Yellow, Gulfports: April 246.20, May 244.90, June 245, July 245, Aug 246.80, Sept 246.80, Oct 243.15, Nov 243.15, sellers. Argentine: May/June 233.25, June 232, July 232, Aug 233.25, sellers. Rest unquoted.

HIDES

Birmingham auction results (Manchester in brackets): Ox: 21/35.5 kilos, 109.1p per kilo (104.1 withdrawn); 26/30.5 kilos, 116p withdrawn (116p); 22/25.5 kilos, 128.5p (126p). Cows 25.5 kilos and under, 127.1p per kilo (126p withdrawn).

PARIS

SUGAR—(FFr per tonne): May 1246-1247; Aug 1305-1307; Oct 1344-1350; Dec 1395-1405; May 1555-1565.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Uncertainty surrounds dollar

The dollar weakened in nervous foreign exchange trading yesterday, with the U.S. currency remaining within its recent range. Overnight comments by Mr Paul Volcker, chairman of the Federal Reserve Board, about imbalances in the U.S. economy, and a warning of slower economic growth, undermined the dollar initially. Later in the day it also suffered from rumours that a bank in Oklahoma was in difficulties, although this was denied by the state banking commissioner.

Overall, dealers were reluctant to take out new positions ahead of economic statistics due for publication during the rest of this week and next. Today's U.S. retail sales for March are expected to be below the February figure, while Friday's producer price index is anticipated to show growing inflationary pressure. On the other hand next week's revision of first quarter gross national product is forecast to show a rise of around 3 per cent, compared with the flash estimate of 2.1 per cent.

The dollar fell to DM 3.1345 from DM 3.1510; FFr 9.56 from FFr 9.6175; SwFr 2.6485 from SwFr 2.6615; and Y254.30 from Y254.95.

On Bank of England figures the dollar's index fell to 147.4 from 148.7.

STERLING — Trading range against the dollar in 1985 is 1.2390 to 1.0525. March average 1.1260. Exchange rate index rose 0.8 to close at 77.3, the highest point of the day. It opened at 76.9 and touched a low of 76.7 at 9 am, before holding fairly steady and then rising quite sharply at mid-afternoon.

Sterling was firm, showing more reaction to the weakness of the dollar than the various UK economic statistics released yesterday. Producer prices rose 0.5 per cent in March, rather less than the market feared, while an increase of 1.4 per cent in manufacturers' costs was in line with expectations. The increase of 1 per cent in sterling M3 money supply was towards the top end of most forecasts, but again not as bad as some estimates, and produced little movement in the pound. Sterling gained 1 cent to $1.2155-1.2165, and also rose to DM 3.8025 from DM 3.7975; FFr 11.58 from FFr 11.5725; SwFr 3.22 from SwFr 3.2075; and Y309 from Y307.25.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 3.0825. March average 3.2972. Exchange rate index 121.6 against 120.5 six months ago.

The D-mark gained ground against the dollar on renewed fears about the U.S. banking system. The U.S. currency fell to DM 3.13 at the Frankfurt close from DM 3.1630 on Tuesday, declining quite sharply in the afternoon as New York started trading. A strong U.S. bond market and demand for gold also tended to depress the dollar, as well as Mr Volcker's coments about the U.S. economy on Tuesday. Federal funds opened slightly firmer in New York, but this failed to protect the dollar from selling ahead of today's U.S. retail sales figures and tomorrow's producer price index. The Bundesbank did not intervene when the dollar was fixed at DM 3.1418 in Frankfurt compared with DM 3.1490 previously.

STERLING EXCHANGE RATE INDEX

	April 10	Previous
8.30 am	76.9	77.0
9.00 am	76.7	77.0
10.00 am	76.8	77.0
11.00 am	76.7	76.8
Noon	76.9	76.8
1.00 pm	76.9	76.8
2.00 pm	76.8	76.7
3.00 pm	77.2	76.7
4.00 pm	77.3	76.5

£ in New York

	April 10	prev. close
£ Spot	$1.2160-1.2170	$1.2120-1.2130
1 month	0.48-0.46pm	0.48-0.47pm
3 months	1.23-1.18pm	1.20-1.18pm
12 months	1.98-1.85pm	1.95-1.85pm

Forward premiums and discounts apply to the U.S. dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu April 10	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	44.9558	+0.12	+0.22	±1.5522
Danish Krone ...	8.14104	7.99736	−1.76	−1.66	±1.6419
German D-Mark	2.24184	2.23393	−0.35	−0.25	±1.1475
French Franc ...	6.87456	6.81908	−0.81	−0.71	±1.3689
Dutch Guilder...	2.52595	2.52432	−0.06	+0.04	±1.5171
Irish Punt	0.72569	0.713731	−1.65	−1.55	±1.6703
Italian Lira	1403.49	1425.31	+1.65	+1.55	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST POUND

April 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2005-1.2225	1.2155-1.2165	0.48-0.43c pm	4.39	1.20-1.15pm	3.87
Canada	1.6546-1.6760	1.6700-1.6750	0.44-0.36c pm	2.87	1.18-1.06pm	2.68
Nethlnd.	4.27½-4.37½	4.29¼-4.30¼	2½-2¼c pm	6.62	6¾-6½pm	5.81
Belgium	76.16-76.83	76.50-76.60	23-18c pm	3.21	59-50pm	2.85
Denmark	13.57-13.64½	13.57½-13.58½	3¾-2⅞ore pm	2.93	8¾-8¼pm	2.71
Ireland	1.2089-1.2203	1.2180-1.2190	0.04p pm-0.12 ds	−0.39	0.14p-0.29d	−0.25
W. Ger.	3.78½-3.82	3.79¾-3.80¾	2½-2¼pf pm	7.30	6¾-6½pm	6.84
Portugal	210¼-216½	212½-216½	160-525c dis	−19.16	500-1465d	−18.32
Spain	211¼-213¼	212¼-213¼	5-20c dis	−0.70	25-60dis	−0.80
Italy	2,409¼-2,438½	2,423½-2,424½	par-4lire dis	−0.99	7-11dis	−1.49
Norway	10.91¾-11.01¾	10.94-10.95	½ore pm-1¼dis	−0.41	1½-½pm	0.41
France	11.55½-11.65¼	11.57½-11.58½	2¾-2¼c pm	2.46	6¼-5¾pm	2.03
Sweden	10.96½-11.05¾	10.99-11.00	½ore pm-½dis	−0.20	¾-1¼dis	−0.34
Japan	306¾-310½	308½-309½	1.90-1.70y pm	6.99	5.14-4.95pm	6.53
Austria	26.50-26.85	26.70-26.80	15-13¼gro pm	6.45	40½-37¼pm	5.82
Switz.	3.20-3.23	3.21½-3.22½	2¼-2c pm	7.92	5⅞-5⅝pm	7.14

Belgian rate is for convertible francs. Financial franc 76.85-76.95. Six-month forward dollar 1.82-1.77c pm. 12-month 2.05-1.90c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

April 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2005-1.2225	1.2155-1.2165	0.48-0.43c pm	4.39	1.20-1.15pm	3.87
Ireland†	0.9940-1.0033	0.9993-1.0003	0.45-0.35c pm	4.81	1.18-0.88pm	4.13
Canada	1.3720-1.3740	1.3720-1.3730	0.18-0.19c dis	−1.53	0.39-0.43dis	−1.19
Nethlnd.	3.5240-3.5585	3.5415-3.5425	0.53-0.51c pm	1.76	1.74-1.70pm	1.94
Belgium	63.20-63.75	63.40-63.50	6-7c dis	−1.23	15-17dis	−1.01
Denmark	11.16¾-11.30½	11.18½-11.18¾	1-1½ore dis	−1.33	1¼-1½dis	−0.53
W. Ger.	3.1170-3.1550	3.1340-3.1350	0.80-0.75pf pm	2.96	2.35-2.30pm	2.96
Portugal	175-178½	175-176	200-500c dis	−23.88	600-1400d	−22.73
Spain	174.45-175.73	174.60-174.85	70-80c dis	−5.13	200-230dis	−4.90
Italy	1,991-2,008½	1,991-1,992	9½-10lire dis	−5.84	27¼-28dis	−5.51
Norway	9.00-9.07	9.02¾-9.03¼	3½-3¾ore dis	−4.64	8-8½dis	−3.65
France	9.51½-9.60½	9.55¾-9.56¼	1.48-1.58c dis	−1.91	4.40-4.70dis	−1.90
Sweden	9.03½-9.10¾	9.04-9.04½	3¼-3¾ore dis	−4.62	9¾-10¼dis	−4.29
Japan	253.85-255.05	254.25-254.35	0.60-0.56y pm	2.73	1.74-1.69 pm	2.69
Austria	21.92-22.15½	21.92-21.96	3¼-2¾gro pm	1.63	11-9pm	1.81
Switz.	2.6350-2.6670	2.6480-2.6490	0.81-0.75c pm	3.52	2.25-2.19pm	3.34

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 63.20-63.30.

OTHER CURRENCIES

Apr. 10	£	$		£ Note Rates
Argentina Peso..	445.39-446.43	365.92-366.92	Austria	26.60-26.90
Australia Dollar.	1.8070-1.8110	1.4915-1.4935	Belgium	76.50-77.30
Brazil Cruzeiro...	5,574-5,607	4,580-4,600	Denmark	13.54-13.67
Finland Markka.	7.9380-7.9660	6.5290-6.5310	France	11.54-11.65
Greek Drachma.	163.04-166.76	135.13-137.97	Germany	3.77¼-3.81¼
HongKong Dollar	9.5050-9.5150	7.7970-7.7990	Italy	2400-2435
Iran Rial	112.50*	93.60*	Japan	308-312
KuwaitDinar(KD)	0.3678-0.3685	0.30205-0.30215	Netherlands	4.26¾-4.30¾
Luxembourg Fr	76.50-76.60	63.40-63.50	Norway	10.89-11.00
Malaysia Dollar..	3.0650-3.0750	2.5180-2.5210	Portugal	207-220
New Zealand Dlr.	2.6600-2.6900	2.2060-2.2160	Spain	205-213¼
Saudi Arab Riyal	4.3975-4.4025	3.6105-3.6115	Sweden	10.94-11.05
Singapore Dollar	2.7170-2.7270	2.2290-2.2320	Switzerland	3.20-3.25
Sth African Rand	2.3930-2.4100	1.9745-1.9820	United States	1.20-1.22
U.A.E. Dirham....	4.4720-4.4775	3.6720-3.6730	Yugoslavia	295-330

* Selling rate.

CURRENCY MOVEMENTS

Apr. 10	Bank of England Index	Morgan Guaranty Change %
Sterling	77.3	−18.7
U.S. dollar	147.4	+32.9
Canadian dollar	88.0	−6.8
Austrian schilling	111.4	+3.7
Belgian franc	89.1	−10.8
Danish Kroner	77.5	−5.2
Deutsche mark	121.6	+6.5
Swiss franc	137.8	+5.9
Guilder	111.2	+2.9
French franc	64.7	−15.6
Lira	45.2	−15.8
Yen	154.1	+11.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 10	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.812626	0.587987
U.S. $	8	0.983034	0.710876
Canadian $	10.65	*	0.976744
Austria Sch.	4½	21.7231	15.6962
Belgian Fr	11	62.1966	44.9558
Danish Kr	7	11.0690	7.99736
Dmark	4½	3.08850	2.23393
Guilder	5½	3.49026	2.52432
French Fr	9½	9.42926	6.819908
Lira	15½	1971.47	1425.31
Yen	5	250.379	181.025
Norway Kr	8	8.90334	6.42094
Span'h Pta	—	172.612	124.830
Swedish K	9	8.94020	6.45435
Swiss Fr	4	2.61487	1.88093
Greek Dr'ch	20½	134.381	97.0489
Irish Punt	12¾	0.985982	0.713731

* C$/SDR rate for April 9: 1.34628.

EXCHANGE CROSS RATES

April 10	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.216	3.805	309.0	11.58	3.220	4.303	2424.	1.673	76.55
U.S. Dollar	0.822	1.	3.135	254.3	9.560	2.649	3.542	1992.	1.375	63.45
Deutschemark	0.263	0.320	1.	81.26	3.045	0.847	1.131	637.5	0.440	20.13
Japanese Yen 1,000	3.236	3.935	12.31	1000.	37.48	10.42	13.92	7845.	5.413	247.7
French Franc 10	0.864	1.050	3.284	266.8	10.	2.781	3.715	2093.	1.444	66.11
Swiss Franc	0.311	0.378	1.181	95.96	3.596	1.	1.336	752.8	0.519	23.77
Dutch Gilder	0.232	0.283	0.884	71.82	2.691	0.748	1.	563.4	0.389	17.79
Italian Lira 1000	0.413	0.502	1.569	127.5	4.777	1.328	1.775	1000.	0.690	31.58
Canadian Dollar	0.598	0.727	2.274	184.8	6.924	1.955	2.572	1449	1.	45.77
Belgian Franc 100	1.306	1.589	4.967	403.7	15.13	4.206	5.621	3167.	2.185	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr. 10	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	12⅞-13⅛	8 11/16-8 13/16	9¾-10¼	6⅞-7	3-3¼	5 11/16-5 13/16	10⅝-10⅞	13½-14½	9⅞-10	9⅞-10⅛	5⅞-6	10⅛-10⅝
7 day's notice	12⅞-13⅛	8⅝-8¾	9¼-10⅜	6⅞-7	2¾-3	5 11/16-5 13/16	10⅝-10⅞	14-15	10⅛-10⅜	10-10¼	6-6 1/16	10 7/16-11⅛
Month	13-13⅛	8 11/16-8 13/16	9 9/16-10 1/16	6⅞-7	5 1/16-5 3/16	5¾-5⅞	10½-10⅝	14¼-14¾	9⅞-10⅛	10-10¼	6 3/16-6¼	10⅛-10⅝
Three months	12 15/16-13 1/16	8 15/16-9 1/16	10⅛-10⅜	6⅞-7	5 5/16-5 7/16	5 13/16-6 1/16	10 13/16-11 3/16	14⅝-14⅞	10-10¼	10⅛-10⅜	6 5/16-6⅜	10-10½
Six months	12½-12⅝	9¼-9⅜	10⅜-10⅝	6 15/16-7¼	5 5/16-5 7/16	6 1/16-6 3/16	11 5/16-11 11/16	14¾-15⅛	10¼-10½	10¼-10½	6 5/16-6 7/16	10-10½
One year	12 1/16-12 3/16	10-10⅛	10⅝-10⅞	7-7⅛	5 7/16-5 9/16	6 5/16-6 7/16	11⅝-11¾	15⅛-15⅝	10⅜-10⅝	10⅜-10⅝	6⅜-6 7/16	10½-11

Asian $ (closing rates in Singapore): Short-term 8 11/16-8 13/16 per cent; seven days 8 11/16-8 13/16 per cent; one month 8 11/16-8 13/16 per cent; three months 8 15/16-9 1/16 per cent; six months 9¼-9⅜ per cent; one year 9 15/16-10 1/16 per cent. Long-term Eurodollars: two years 11¼-11½ per cent; three years 11½-11¾ per cent; four years 11¾-12 per cent; five years 12-12¼ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen, others two days' notice.

MONEY MARKETS

UK rates fall on improved sentiment

UK interest rates were lower yesterday. The latest UK money supply figures were generally no worse than expected and this combined with sterling's steadier performance to push rates easier. This in turn put further pressure on the two clearing banks still maintaining base rates of 13½ per cent to reduce their rates to 13 per cent. Three-month interbank money finished at 13 per cent down from 13¼ per cent while three-month eligible bank bills were bid at 12 11/16 per cent compared with 12 13/16 per cent. Overnight interbank money opened at 13-13¼ per cent and fell away to 10 per cent before finishing at 12 per cent.

> UK clearing banks base lending rate 13-13½ per cent since April 3

The Bank of England forecast a shortage of around £600m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £619m and the unwinding of previous sale and repurchase agreements a further £249m. There was also a rise in the note circulation of £10m. These were partly offset by Exchequer transactions which added £240m and banks' balances brought forward £35m above target.

To help alleviate the shortage the Bank offered an early round of assistance which totalled £111m and comprised purchases of eligible bank bills, £59m in band 1 (up to 14 days) at 12⅞ per cent, £41m in band 2 (15-33 days) at 12¾ per cent, £10m in band 3 (34-63 days) at 12⅝ per cent and £1m in band 4 (64-91 days) at 12½ per cent. Further help was given in the morning of £26m through purchases of eligible bank bills in band 2 at 12¾ per cent.

The forecast was later revised to a shortage of around £500m before taking into account the early help and the Bank gave additional assistance of £350m, making a total of £487m. The afternoon help comprised purchases of £35m of eligible bank bills in band 1 at 12⅞ per cent and £105m in band 2 at 12¾ per cent. In band 3 it bought £2m of local authority bills and £67m of eligible bank bills all at 12⅝ per cent and in band 4 £2 of eligible bank bills at 12½ per cent. It also arranged sale and repurchase agreements on £139m of bills at 12¾ per cent, for resale on May 8.

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Apr. 10 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	10-13¼	12¾-12⅞	13-13½	11-12⅞	—	—	—	—	—
2 days notice	—	—	13-13¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12⅞-13¼	13-13¼	13¼-13½	12⅞	—	—	—	—	—
One month	13 1/16-12 15/16	13-13¼	13 1/16	13¼	12⅞	12¾	12 11/16	12¾	12 13/16	13⅜
Two months	13 1/16-12 15/16	13-13¼	—	13¼	12¾	12 13/16	12 11/16	12 13/16	12 7/16	13 7/16
Three months	12⅞-12 11/16	12 15/16-13¼	13	13¼	12½	12 11/16	12 11/16	12 11/16	12 13/16	13 5/16
Six months	12 5/16-12 3/16	12½-12¾	12 9/16	—	—	—	—	11 15/16	11 15/16	12 15/16
Nine months	12 5/16-12 3/16	12⅛-12 7/16	—	—	—	—	—	—	—	—
One year	12-11⅞	12 1/16-12¼	12 5/16	—	—	—	—	—	—	—

MONEY RATES

April 10	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.80-5.90	10⅝	2¾-3¼	6⅞-7	6.15625	16¼-15⅞	9.10	13⅝-13⅞
One month	5.75-5.90	10½-10⅝	5½-5⅝	6⅞-7	6.28125	14⅞-15¼	9⅞-10⅛	13⅝-13⅞
Two months	5.85-6.00	10½-10⅝	—	—	—	—	—	13¼-13½
Three months	6.00-6.15	10½-10⅝	5½-5¾	6⅞-7	6.34375	15⅛-15½	10⅛-10⅜	13¼-13½
Six months	6.10-6.25	10 9/16-10 11/16	—	6⅞-7	—	—	10¼-10½	13⅛-13⅜
Lombard	6.0	—	—	—	—	—	—	—
Intervervention	—	10½	—	6⅞	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	13⅞-13½	—	13 1/16	8.55-8.65	8¼-8⅜	9 13/16-9 15/16
Two months	13¾-13⅜	—	13 1/16	8.7-8.8	8 7/16-8 9/16	9⅞-10
Three months	13⅝-13¼	—	13⅛	8.8-8.9	8 9/16-8 11/16	9 15/16-10 1/16
Six months	12¾-12½	—	12⅝	9.05-9.15	8 15/16-9 1/16	10-10⅛
Nine months	12⅞-12½	—	12¼	9.5-9.6	—	—
One year	12⅝-12¼	—	12¼	9.8-9.9	9 5/16-9 7/16	10⅛-10¼
Two years	—	11⅞	—	—	—	—
Three years	—	11⅞	—	—	—	—
Four years	—	11¾	—	—	—	—
Five years	—	11¾	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period March 6 to April 2 (inclusive): 13.618 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 14 per cent from April 1, 1985. London and Scottish Clearing Bank Rates for lending 13-13½ per cent. London Deposit Rates for sums at seven days' notice 7.17-17.50 per cent (net). Treasury Bills: Average tender rates of discount 12.3401 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 13½ per cent; one-three months 13¼ per cent; three-six months 12⅞ per cent; six-nine months 12½ per cent; nine-12 months 12 per cent. Under £100,000 11½ per cent from March 29. Deposits held under Series 5 12 per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. April 10)

Three months U.S. dollars

bid 8 15/16	offer 9 1/16

Six months U.S. dollars

bid 9 5/16	offer 9 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	9½
Fed funds	8 11/16
Fed funds at intervention	—

Treasury Bills

One-month	7.55
Two-month	7.70
Three-month	8.10
Six-month	8.43
One-year	8.83

Treasury Bonds

Two-year	100 13/32
Three-year	99 23/32
Four-year	100 11/32
Five-year	100 7/32
Seven-year	101⅛
10-year	98⅝
30-year	97 17/32

FINANCIAL FUTURES

Eurodollars firm

Eurodollar prices finished towards the day's high in the London International Financial Futures Exchange yesterday. Values were marked up at the outset as cash prices eased with good buying from money brokers pushing the June contract up from an opening level of 90.49.

However a firmer than expected Federal funds rate pushed the price down to a low of 90.47 before fresh buying out of Chicago encouraged a similar trend in London and the June contract finished at 90.56 up from 90.27 on Tuesday.

Sterling based instruments were generally firmer with the long gilt contract for June delivery improving from an opening level of 106-19 to finish at 106-24, up from 106-11 on Tuesday. The latest set of UK money supply figures showed a rise in line with most market expectations and this helped to encourage buying towards the end of the day after values had suffered a short term downward correction following the release of the money supply figures.

Three-month sterling deposits finished on a firmer note helped by sterling's overall improvement. The June price opened at 87.83, up from 87.74 and progressed steadily to finish at the day's high of 88.03.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.56	90.57	90.47	90.27
Sept	89.95	89.95	89.82	89.63
Dec	89.49	89.49	89.35	89.17
March	89.10	89.10	88.99	88.80
June	88.79	88.79	88.65	88.52

Est volume 7,133 (2,882)
Previous day's open int 16,223 (16,267)

THREE-MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
June	88.03	88.03	87.83	87.74
Sept	88.92	88.92	88.80	88.74
Dec	89.10	89.10	88.98	88.89
March	89.15	—	—	88.93
June	89.15	89.15	89.11	88.89

Est volume 1,510 (507)
Previous day's open int 6,066 (6,044)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	106-24	106-28	106-10	106-11
Sept	110-12	—	—	110-05
Dec	110-14	—	—	110-07
March	110-03	—	—	109-28

Est volume 2,266 (1,153)
Previous day's open int 2,967 (3,018)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) −24 to −12 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.2140	1.2141	1.2007	1.1905
Sept	1.2070	—	—	1.1835
Dec	1.2040	—	—	1.1810

Est volume 429 (77)
Previous day's open int 6,703 (6,703)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.3218	0.3218	0.3195	0.3176
Sept	0.3245	—	—	0.3203

Est volume 29 (36)
Previous day's open int 226 (224)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.3807	0.3807	0.3776	0.3765

Est volume 12 (nil)
Previous day's open int 157 (157)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.3954	—	—	0.3933
Sept	0.3985	—	—	0.3964

Est volume nil (nil)
Previous day's open int 559 (559)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
June	127.55	128.00	127.50	127.20
Sept	128.30	—	—	127.85

Est volume 197 (139)
Previous day's open int 1,118 (1,118)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	70-05	70-05	69-23	69-00
Sept	69-05	—	—	68-02

Est volume 6,826 (724)
Previous day's open int 3,041 (3,046)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	69-30	69-31	69-23	69.17
Sept	69-00	69-01	68-25	68-18
Dec	68-05	68-05	68-00	67-23
March	67-11	67-11	67-10	66-30
June	66-18	66-18	66-16	66.08
Sept	65-30	65-30	65-28	65-20
Dec	65-10	65-10	65-10	65-02
March	—	—	—	64-18
June	—	—	—	64-04
Sept	—	—	—	—
Dec	—	—	—	63-11

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.65	91.66	91.59	91.60
Sept	91.11	91.13	91.03	91.03
Dec	90.70	90.70	90.62	90.60
March	90.35	90.35	90.33	90.25
June	90.08	90.08	—	89.99
Sept	89.84	89.84	—	89.77
Dec	89.61	89.61	—	89.56
March	89.41	89.41	—	89.38

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.92	90.93	90.85	90.87
Sept	90.32	90.35	90.31	90.22
Dec	89.79	89.82	89.79	89.69
March	89.43	89.47	89.43	89.31

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.50	90.54	90.45	90.46
Sept	89.89	89.94	89.79	89.80
Dec	89.41	89.44	89.31	89.31
March	89.04	89.05	88.96	88.93
June	88.73	88.75	88.64	88.62
Sept	88.44	88.44	88.36	88.35
Dec	88.18	88.18	88.11	88.10
March	87.94	87.94	—	87.86

STERLING (IMM) $s per £

	Latest	High	Low	Prev
June	1.2100	1.2125	1.2005	1.1990
Sept	1.2020	1.2030	1.1980	1.1920
Dec	1.2010	1.2020	1.1985	1.1905
March	—	—	—	1.2265
June	—	—	—	—
Sept	—	—	—	1.2605

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	69-19	69-20	69-12	69.10
Sept	68-27	68-27	68-24	68-19
Dec	—	—	—	67-31
March	—	—	—	—
June	—	—	—	66-29
Sept	—	—	—	66-15

Legal Notices

LANDMOOR LIMITED
(In Liquidation)

NOTICE is hereby given pursuant to Section 299 of the Companies Act 1948 that a Meeting of the Creditors of the above named company will be held at the offices of Peat, Marwick, Mitchell & Co., 1 Puddle Dock, Blackfriars, London EC4V 3PD on Monday, 15th April 1985 at 10.30 a.m. for the purpose of receiving the account of the Joint Liquidators, showing the acts and dealings and of the conduct of the winding up of the company during the year ended 9th January 1985.

DATED this 3rd Day of April 1985.

W. F. RATFORD
(Joint Liquidator)

London Clearing Banks' balances

as at March 20 1985

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. They are prepared by the London clearing banks and cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the monetary sector.

TABLE 1.

AGGREGATE BALANCES	Total outstanding £m	£m	Change on month £m	£m
LIABILITIES				
Sterling deposits:				
UK monetary sector	18,675		+ 533	
UK private sector	59,550		+ 452	
UK public sector	1,558		+ 93	
Overseas residents	10,775		+ 611	
Certificates of deposit	5,466		− 388	
		96,025		+1,301
of which: Sight		34,609		+1,938
Time (inc. CD's)		61,415		− 637
Foreign currency deposits:				
UK monetary sector	15,627		− 781	
Other UK residents	4,987		− 159	
Overseas residents	48,039		−2,293	
Certificates of deposit	7,129		− 289	
		75,783		−3,522
Total deposits		171,807		−2,221
Other liabilities*		21,891		+ 402
TOTAL LIABILITIES		193,698		−1,819
ASSETS				
Sterling				
Cash and balances with Bank of England		1,293		− 54
Market loans:				
Discount houses	2,246		− 969	
Other UK monetary sector	16,151		+ 687	
UK monetary sector CD's	2,315		− 314	
Local authorities	804		—	
Other	1,838		− 63	
		23,354		− 659
Bills:				
Treasury bills	27		− 79	
Other bills	1,625		+ 78	
		1,651		− 1
Special deposits with Bank of England		—		—
Investments:				
British Government stocks	2,285		− 29	
Other	2,628		+ 60	
		4,913		+ 31
Advances:				
UK private sector	66,337		+1,484	
UK public sector	522		+ 132	
Overseas residents	2,591		− 386	
		69,451		+1,230
Other sterling assets*		11,275		+ 840
Foreign currencies				
Market loans:				
UK monetary sector	15,981		−1,182	
Certificates of deposit	1,001		− 41	
Other	32,244		− 166	
		49,225		−1,389
Bills		245		− 494
Advances:				
UK private sector	6,334		− 151	
UK public sector	1,240		− 72	
Overseas residents	18,616		− 875	
		26,189		−1,097
Other foreign currency assets*		6,102		− 224
TOTAL ASSETS		193,698		−1,819
Acceptances		3,694		− 108
Eligible liabilities		72,409		+1,715

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES	TOTAL Out-standing £m	TOTAL Change on month £m	BARCLAYS Out-standing £m	BARCLAYS Change on month £m	LLOYDS Out-standing £m	LLOYDS Change on month £m	MIDLAND Out-standing £m	MIDLAND Change on month £m	NATIONAL WESTMINSTER Out-standing £m	NATIONAL WESTMINSTER Change on month £m	WILLIAMS & GLYN'S Out-standing £m	WILLIAMS & GLYN'S Change on month £m
LIABILITIES												
Total deposits	171,807	−2,221	42,983	−779	32,026	−102	34,024	+103	57,638	−1,472	5,215	+ 30
ASSETS												
Cash and balances with Bank of England	1,293	− 54	419	− 35	209	− 2	235	− 14	384	− 2	45	− 1
Market loans:												
UK monetary sector	34,377	−1,465	8,852	−689	4,840	+216	4,187	+ 24	17,390	−1,069	1,109	+ 33
Other	38,201	− 584	9,658	−319	7,887	−682	8,480	+591	11,018	− 191	1,159	+ 16
Bills	1,897	− 496	674	+ 52	802	+131	252	−408	167	− 242	1	− 29
British Government stocks	2,285	− 29	398	− 86	695	+ 1	495	+ 54	656	+ 3	42	—
Advances	95,640	+ 133	26,051	+138	8,363	+197	19,130	− 75	29,098	− 93	2,998	− 34

TABLE 3. INDIVIDUAL GROUPS OF BANKS' ELIGIBLE LIABILITIES	TOTAL		BARCLAYS		LLOYDS		MIDLAND		NATIONAL WESTMINSTER		WILLIAMS & GLYN'S	
ELIGIBLE LIABILITIES	72,409	+1,715	21,316	+578	14,665	+498	12,791	+248	21,294	+ 386	2,341	+ 5

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 10.

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CAPITAL MARKETS

Gaz de France finds ready market for a fresh currency

BY PETER MONTAGNON IN LONDON

GAZ DE FRANCE met with an immediate success yesterday when it *launched* a long-awaited Eurobond of up to FFr 750m, the first such issue in French currency since 1981.

Led by Crédit Commercial de France alongside Caisse des Depots et Consignations and Morgan Guaranty, the 15-year issue bears a coupon of 11¼ per cent and issue price of par. The coupon can, however, be readjusted each five years, which allows investors to treat the issue as five-year paper.

Demand for the bonds came from both retail and institutional investors on a broad geographical basis, taking advantage of the rare opportunity for diversification away from the dollar into a new currency with a high interest rate. In the late afternoon the paper was trading around its issue price, which means that managers did not have to give up any of their 1⅞ per cent fees.

Bankers believe that, after such a long interruption in the French franc market, the authorities in Paris were determined to see the issue priced in such a way as to guarantee success. The French Finance Ministry is also expected to limit the future supply of new franc Eurobonds, allowing only one or two a month so as to ensure that supply does not outstrip demand.

FFr 500m of yesterday's issue represents new money, while FFr 250m is paper that can be exchanged with an existing 13⅞ per cent Gaz de France issue that matures next year. About FFr 585m of this FFr 600m bond is still outstanding.

Holders of the older issue may exchange their paper for the new bonds during a four-month period starting in May. For the first two months such an exchange will benefit from a cash discount of 1¼ per cent, while later the discount will fall to 1 per cent.

As if to underline the attraction of high coupon, non-dollar issues, yesterday also saw two new deals in Australian and New Zealand dollars, both of which are to be swapped into other currencies by the borrowers concerned. Nordic Investment Bank is raising NZ$50m, through a five year, 16 per cent issue priced at par by lead manager Morgan Stanley, while PKBanken is raising A$47.6m over six years. Its bond bears a 13⅞ per cent coupon and an issue price of 100.8 and is led by Salomon Brothers, PK Christiania Bank and Sumitomo Finance.

There was, however, also some recovery in fixed rate dollar Eurobonds yesterday as bargain hunters pushed prices up by around ½ point in some cases. No new fixed rate issues appeared, but Libra Bank, the London-based consortium which specialises in Latin America, launched a $100m, 10 year floating rate note through Banque Paribas, Merrill Lynch, Nomura International and Orion Royal Bank.

BHF Bank bond average		
April 10 101.200		Previous 101.107
High 102.860	1985	Low 99.840

Like Tuesday's issue for Royal Bank of Scotland, this bond is structured in a way that allows it to be counted as secondary capital under Bank of England regulations. The paper bears interest at a margin of ¼ point over the mean of the six month London interbank bid and offered rate for Eurodollar deposits and has been rated A plus by Fitch, the U.S. rating agency that also rates Libra's commercial paper.

None the less it was slow to move in the market, with many investors deterred by Libra's involvement in Latin America.

Nomura, meanwhile, launched as expected a Y25bn, five year, 6⅞ per cent Eurobond at 99¾ per cent for the World Bank, while the Province of Manitoba tapped the Samurai sector for Y20bn through a 10 year, 7.4 per cent issue at par led by Nikko Securities. An earlier expected issue for Thailand has been postponed after the borrower and co-managers failed to reach agreement on the coupon.

In the convertible sector, Yamaichi International launched a $70m, 15 year issue for Nippon oil with an indicated coupon of 3 per cent and conversion premium of 5 per cent.

D-Mark issues were barely changed in subdued trading with some investors apparently turning cautious ahead of moves by the Bundesbank to liberalise the market in a way that could see an increased flow of new paper. Terms on the new DM 100m, 10 year issue for Renfe, Spanish Railways, were regarded as a little tight. Its bond bears a coupon of 7¼ per cent and is priced at 99½. In Switzerland, where the forthcoming issue for TransCanada PipeLines is expected to bear a coupon of 5¾ per cent, secondary market prices were also little changed.

The coupon on Sumitomo Realty's SwFr 145m private placement has been set at 1½ per cent and the conversion premium at 5.2 per cent by lead manager Credit Suisse. The coupon was cut from an original indication of 1¾ per cent.